

Police Seize Cult Guru and 14 Aides in Gas Deaths

Tokyo Governor's Office
Is Hit by Bomb Attack
After Key Detentions

By Nicholas D. Kristof
New York Times Service

TOKYO — Japanese police arrested top members of the Aum Shinrikyo religious cult Tuesday, but the explosion of a parcel bomb Tuesday night in the offices of Tokyo's top official underscored that the terrorism may not be over.

The bomb blew off the hand of a city official. No one claimed responsibility, and it was unclear if it was linked to the crackdown on the cult.

Because of the fears that Aum members may stage retaliatory strikes, the army's chemical warfare units and 80,000 police officers were put on alert Tuesday around Japan. Security was especially tight in train stations and other public places.

The police arrested 15 of the 41 Aum members for whom arrest warrants were issued Monday night in connection with the nerve gas attack on the Tokyo subway system in March. Twelve were already in custody, so 14 remained at large.

Prime Minister Tomiichi Murayama, speaking in a nationwide address, warned that some Aum members may still possess sarin nerve gas.

"We will make the utmost efforts to prevent a recurrence of sarin attacks, mainly through thorough police work," Mr. Murayama said.

The sect's guru, Shoko Asahara, who is suspected of masterminding the nerve gas attack on the Tokyo subway system, was arrested for murder after he was discovered meditating in a secret chamber in the cult's headquarters, near Mount Fuji.

The police had to use crowbars to break into the hiding place, which was one meter (three feet) high and roughly as big as a very large coffin.

Mr. Asahara and his disciples now may face the death penalty, by hanging. Multiple murders are often hanged in Japan.

Japanese television, drawing from a police briefing that foreign journalists were not allowed to attend, said that in his first interrogation Mr. Asahara had denied any involvement in the subway attack.

"How could I, as a blind man, have possibly done such a thing?" Mr. Asahara was quoted as saying. Mr. Asahara has very poor vision, although he can see enough to walk around.

Although Aum has repeatedly said that Mr. Asahara is gravely sick, he was able to walk without difficulty to the van that brought him to Tokyo.

The public responded to the arrest with widespread elation. People snapped up free extra editions of newspapers that were distributed in subway stations, and crowds turned out to watch along the highway as a convoy of police cars with lights flashing delivered Mr. Asahara to the Tokyo police headquarters.

The police have been concerned all along that the arrest of Mr. Asahara would trigger retaliatory terrorism. A senior police official said he doubted that the sect now had sarin, but other government officials said that it might.

One reason for the police's view may be statements made under interrogation by Aum's top chemist, Masami Tsuchiya. The Asahi Shimbun, a Japanese daily, reported that Mr. Tsuchiya said that the sect had disposed of its sarin stockpile as a way of destroying evidence.

Another newspaper, the Yomiuri Shimbun, said that Mr. Tsuchiya had told the police that in any case the sarin that he had made deteriorated quickly. Normally pure sarin keeps for many years if stored in an airtight container, but there are some in

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Police manning the barricades Tuesday as photographers scrambled to capture the arrival of Shoko Asahara, the leader of the Aum Shinrikyo sect, at the headquarters of the Tokyo Metropolitan Police after his arrest on murder charges.

Father of China's Bomb Dares Speak Up

By Patrick E. Tyler
New York Times Service

BEIJING — One of China's leading nuclear physicists, a designer of the country's first atomic bomb, has joined 44 other scientists and intellectuals in calling on China's leaders to lift the "counterrevolutionary" verdict from those who took part in the 1989 pro-democracy movement at Tiananmen Square.

Wang Ganchang, 88, led the elite group of Chinese physicists who developed and tested the explosive assembly and triggering system for the fission bomb that was exploded on Oct. 14, 1964. Since then, he has continued to play an influential role in

China's scientific institutions and as a senior adviser to the government.

Mr. Wang added his name to those calling on the Communist Party to "release all those who have been imprisoned because of their thoughts, religious beliefs, or acts of speech, and boldly and the ignominious tradition of literary inquisitions that has persisted in our country since ancient times."

The petition was signed by the largest and most prominent group of Chinese intellectuals since the 1989 pro-democracy appeals, when open political dissent led to the climactic confrontation in which troops fired on unarmed students, workers and bystanders the night of June 3-4, killing hundreds.

In a letter addressed to President Jiang Zemin and Qiao Shi, chairman of the National People's Congress, the intellectuals called on the government to treat all "political thought and religious belief with the spirit of tolerance and never again regard individuals of independent thought and independent views as 'hostile elements' and submit them to repressive attacks, surveillance, house arrest, and even detention."

A cover letter identifies Xu Liangying, 75, as the drafter. Mr. Xu is a translator of Albert Einstein's collected works into Chinese. He said the draft of his appeal "received the support" of many of his colleagues at the Chinese Academy of

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Barrages Kill 6 in Sarajevo In Worst Battle in 2 Years

By Christopher S. Wren
New York Times Service

ZAGREB, Croatia — The heaviest fighting in more than two years rocked the besieged Bosnian capital, Sarajevo, on Tuesday after government forces used mortar fire to pound Serbian military barracks in the suburb of Lukavica.

A barrage of four shells at about 8:30 A.M. triggered gun exchanges of mortar and machine-gun fire between Bosnian Serbian fighters and the Bosnian Army that continued into the afternoon, sending pedestrians running for their lives.

Six people were killed and more than two dozen wounded. A 12-year-old girl was among the dead, and her 17-year-old brother was wounded, officials said. The Bosnian Serbs also reported civilian casualties on their side, but did not say how many.

By Tuesday evening the fighting, which UN officials described as the worst since 1993, had quieted down. But explosions and sniper fire continued into the night,

leaving the city of 380,000 residents looking deserted.

"There's nobody in the streets," Alexander Ivanko, a UN spokesman, said Tuesday evening.

UN officials were talking to both sides. Mr. Ivanko said, and had secured a pledge that the combatants would only shoot when fired upon. But he said there were still periodic explosions.

"The last was one minute ago," Mr. Ivanko reported over the telephone.

The new eruption of violence comes at a time when the UN secretary-general, Boutros Boutros Ghali, is reassessing the organization's future in the former Yugoslavia.

The secretary-general's special representative, Yasushi Akashi, said in Zagreb that the new fighting in Sarajevo "sets back the clock in the search for a peaceful settlement in Bosnia and Herzegovina."

He recalled that he had appealed for restraint when a four-month cease-fire expired on May 1. "There is no evidence of that restraint today, as fighting rages

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The Targeted Cars

Cars subject to punitive tariffs. Number sold in the U.S. in 1994, and forecast sales for 1995, in thousands.

Model	1994	1995	Price*
Mazda Miata			
Honda			
Acura Legend	35.7	33.0	\$38,000
Acura 3.2 TL	new	12.0	30,000
Toyota			
Lexus LS 400	22.4	19.8	51,200
Lexus SC 400	7.4	5.6	48,400
Lexus SC 300	4.5	3.5	41,800
Lexus GS 300	13.9	10.4	42,700
Lexus ES 300	39.1	33.7	31,500
Nissan			
Infiniti Q 45	11.4	9.8	52,400
Infiniti J 30	22.8	21.4	38,500
Infiniti I 30	new	24.0	30,000
Mazda			
929	9.2	5.2	35,800
Millenia	24.4	29.3	29,000
Mitsubishi			
Diamond	18.1	15.1	32,000

*Manufacturer's suggested retail price before the new tariffs.

Source: DRMcGraw-Hill

100% Tariff Aimed At Japanese Autos

Punitive Sanctions Could Wipe Out
U.S. Market for 13 Luxury Models

By David E. Sanger
New York Times Service

WASHINGTON — Following through on its threat to impose harsh sanctions on Japan, the Clinton administration placed a 100-percent tariff Tuesday on 13 luxury car models that accounted for \$5.9 billion in sales in the United States last year, including the flagship products made by Toyota, Nissan and Honda.

The tariff, the largest ever imposed by the United States against any trading partner, is scheduled to go into effect at 12:01 A.M. Saturday morning, when customs inspectors will be instructed to double the wholesale price of every Toyota Lexus, Nissan Infiniti and a range of other cars that roll off of Japanese transport ships.

But administration officials said the sanction would be rescinded if Japan and the United States could reach an accord by June 28, giving the two countries six weeks to resolve a dispute that has already gone far beyond the issue of cars.

While the immediate issue is the openness of Japan's market to American cars and car parts, the argument has broadened tremendously in recent weeks and led to warnings on both sides that the alliance between the world's two largest economies could be threatened unless two very different economic systems are reconciled.

"We've put everything on this one," one of Mr. Clinton's top trade officials said Tuesday. "We came to the conclusion that either we draw the line here, or throw in the towel on Japan."

Japanese officials said Tuesday that the American sanctions violated international trade laws. They said that, within days, they would bring an action against the United States at the new and still-fragile World Trade Organization in Geneva.

"The U.S. government conducts its trade policy in a coercive manner completely beyond our comprehension," said Masaharu Tanaka, an executive vice president at Toyota Motor Corp. In private, Japanese government officials contend that Mr. Clinton is simply playing presidential politics, trying to shore up support among labor unions and middle-class voters who see their jobs threatened by Japan's long reach in the American market.

But American officials said that, for the first time, they have found a way to hit Japan where it hurts most.

It was unclear how long Japanese auto-

makers could endure the huge loss of profits that would come from being effectively shut out of the U.S. luxury car market. If they had to add \$25,000 to \$40,000 to the price of their most profitable cars, they would essentially be giving the market away to Mercedes-Benz, BMW and Jaguar, and to some competitive American models.

"The U.S. is not going to stand by and watch its workers and its products unfairly treated," said Mickey Kantor, the U.S.

The costly and complicated trip of a U.S.-made Jeep to a Tokyo showroom. Page 13.

trade representative, who has led the drive to take a far tougher approach on Japan than any past administration. Among American workers, he said, "very, very few people will be hurt."

In fact, the list announced by Mr. Kantor Tuesday was more a political masterpiece than an economic one. All of the cars are produced in Japan with minimal use of American parts. The only American industry badly harmed by the move would be car dealers who sell them, who complained on Tuesday that they would be bankrupted by the action.

Martha M. Hamilton of the Washington Post reported:

The Japan Automobile Manufacturers Association Inc., a U.S. trade group, immediately attacked the proposed sanctions, calling the administration's actions "ill-conceived, ill-considered and illegal."

Meanwhile, the Japanese trade minister, Ryutaro Hashimoto, said the U.S. sanctions were "clearly inconsistent with the rules of the World Trade Organization." But while he called America's actions "regrettable," Mr. Hashimoto also said that Japan would move forward with some opening in its auto markets, "for the benefit of both Japanese consumers and automobile industries of the world."

The U.S. decision to impose sanctions came after more than 20 months of trade negotiations that failed to reach an accord. The Clinton administration has said that it will ask the World Trade Organization to review Japan's auto markets, although trade officials said Monday that a decision had not been made on when the request would be filed.

Mr. Kantor said that U.S. automakers "have become as competitive as any industry on Earth and should be treated fairly."

Tokyo to Appeal to WTO But Shuns a Trade War

By Steven Brull
International Herald Tribune

TOKYO — Japan said Tuesday that it would appeal to the World Trade Organization following Washington's proposal of stiff sanctions against imports of Japanese luxury cars.

Tokyo called for urgent talks at the WTO with the United States, while emphasizing that the dispute would not damage broader "multifaceted U.S.-Japan cooperation."

The announcement of the list of sanctions had been expected here, but Washington's surprise tactic of imposing them as soon as Saturday caught Japanese automakers off guard. It means that boatloads of cars en route to the United States may be hit with huge tariffs that the automakers had not expected to come into force until a month from now.

Japanese officials said the move would only strengthen their complaint to the WTO that the unilateral sanctions are a violation of international trade rules.

They emphasized, however, that they wanted to avoid mutual retaliation that could trigger a trade war and undermine broader relations with the United States.

"It is quite a shock," said the deputy trade minister, Yoshihiro Sakamoto. "We will immediately appeal to the WTO. But we will not announce whether or not we will impose any counter-sanctions at the moment."

Trade Minister Ryutaro Hashimoto said that the sanctions would "severely disrupt Japan's trade with the United States" but that broader ties with its major trading partner would not be affected.

"The different positions over auto and auto parts issues will not adversely affect our multifaceted cooperative relationship," he said.

In Brussels, the EU trade commissioner, Sir Leon Brittan, said that the U.S. tariff increase, if carried out, would break international trade rules and that the dispute should be resolved through the WTO's

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AGENDA

Ukraine Will Shut Chernobyl Plant

KIEV (AFP) — The Ukrainian government announced Tuesday that it would close the Chernobyl nuclear power station, where a reactor explosion in 1986 resulted in the world's worst civilian nuclear catastrophe.

One reactor, which was closed after a fire in 1991, will not be reopened. Two others will be closed in 1997 and 1999. Another, which exploded nine years ago, has been closed since then.

The government made the announcement at a meeting with a negotiating team from the Group of Seven, a member of the delegation said.

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Newstand Prices

Atlanta	8.00 FF	Luxembourg	80 L Fr
Bombay	11.20 FF	Morocco	13 Dh
Canton	1.400 CFA	Qatar	8.00 Riels
Chennai	1.400 CFA	Romania	11.20 FF
Colombo	8.00 FF	Saudi Arabia	9.00 R
Delhi	960 CFA	Senegal	960 CFA
Dhaka	350 Dr	Spain	225 PTAS
Guangzhou	2,600 Lire	Turkey	1,250 Dr
Hong Kong	1.120 CFA	U.S.	85 Cents
Jakarta	1 JD	U.S. Mil. (Eur.)	\$1.10
Lahore	US\$ 1.50	U.S. Mil. (Eur.)	\$1.10

Dow Jones	Down 2.42	Trib Index	Down 0.65%
4436.05		121.27	
The Dollar			
New York	1.4445	1.4351	
DM	1.5639	1.574	
Pound	88.50	86.375	
Yen	5.106	5.0305	

Tasting Democracy, Kuwaitis Savor Next Course

By Nora Boustany
Washington Post Service

KUWAIT CITY — It was not the House of Commons or the U.S. Congress, but there was lively parliamentary debate as Kuwaiti legislators mounted a melodramatic defense of the constitution against intrusions by the country's royal rulers.

The House speaker, Ahmad Saadoun, chided the foreign minister, Sheikh Sabah al Ahmad al Jaber al Sabah, a member of the royal family, as one would an unruly

child as the legislators discussed embezzlement charges against the ruling emir's cousin, a former oil minister. Sheikh Sabah, who had aroused the speaker's fury by suggesting that the Kuwaiti people were bored by the rambling debate and the bluster in the assembly, bent his head and examined his worry beads.

Nearly five years after the Gulf War began, the street signs removed by the Kuwaiti resistance to confuse Iraq's invading forces are in place again, but the promise of the ruling Sabah family to pacify the population with democracy is still fragile.

The struggle going on now between the legislature and

the government of Sheikh Jaber al Ahmad al Sabah, the emir, will very likely test the limits of the rulers' tolerance for a true system of checks and balances and define boundaries for the legislature's attempt to exercise democratic controls in a region where democracy is rare.

Political parties are still banned in Kuwait, where Parliament has been shut down by the emir for a total of 11 years since it was established in 1963 and women have not been given the right to vote. The pretext given by an adviser to the emir was that women would magnify the

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Smugglers Help Keep Iraq's Bazaars Humming

By John Lancaster
Washington Post Service

BAGHDAD — Amid the hubbub of Baghdad's Sharja market, one can see the leaks in United Nations trade sanctions.

As buses growl and street vendors ladle yogurt from ice-filled aluminum washbasins, shoppers browse among tables stacked with smuggled goods: light bulbs from Romania and Spain, glassware from Bulgaria, cutlery from Germany and Japan, fireworks from China, pesticides from Jordan, glue guns from Taiwan.

The sanctions, renewed again Friday by the UN Security Council, bar the export to Iraq of everything but food, medicine and other humanitarian goods. But, somehow, a lot of other merchandise is making its way to Baghdad.

"Basically, everything is available in the market," a UN official said. "You have computers available, even 486 computers, which did not exist when the sanctions were imposed. Also satellite dishes."

The embargo has caused misery among ordinary Iraqis, but there is every indication that smugglers are prospering. The illicit trade in Iraqi oil products has been well documented in recent months, while luxury items

and consumer goods are in ample supply, at least for those who can afford them.

The bustling black market helps explain why Iraq has continued to function, albeit at a subsistence level, in spite of the sanctions. They were imposed after Baghdad's 1990 invasion of Kuwait and bar the country from exporting the oil that was its economic mainstay.

Iraq has also benefited from surprisingly efficient farm production and the rebuilding of much of its war-damaged infrastructure.

The smuggling trade yields obvious political benefits

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Royal Resting Place/Treasures of a Pharaoh's Sons

In a Newfound Tomb in Egypt,
A Fresh Look at Ramses II's EraBy John Noble Wilford
New York Times Service

RAMSES II, one of ancient Egypt's greatest pharaohs, is said to have fathered more than 100 children, including 52 sons. Archaeologists have now discovered an enormous mausoleum with at least 67 chambers, the largest tomb ever explored in the Valley of the Kings, and they think this was the resting place for most of those royal sons.

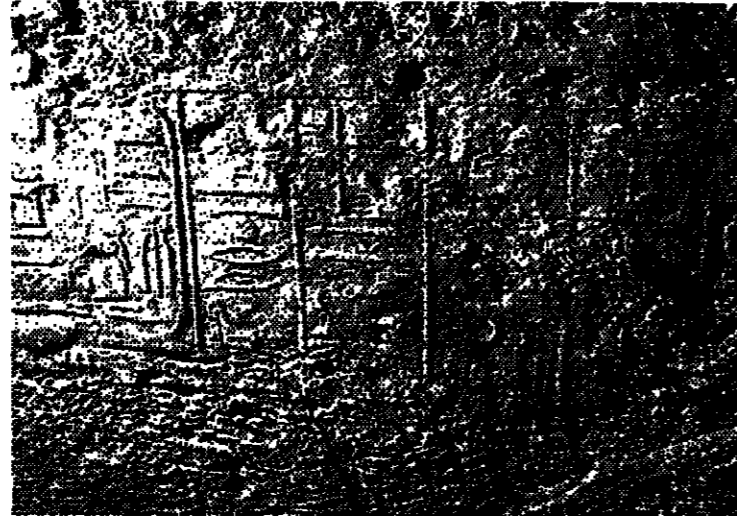
Working their way through a narrow entrance in the limestone hillsides, archaeologists were astonished to find a central hall with 16 pillars, a passageway to a statue of the god Osiris, and other corridors leading to many separate chambers. In the dim light, they could glimpse wall decorations and alabaster fragments carrying inscriptions with the names of four sons of Ramses, and sarcophagus pieces, mummy fragments and statuary strongly suggesting that the tomb was used for their burials.

The sons never attained the power of their father, whose reign lasted 66 years, and their elaborate burial place is not likely to yield treasures similar to those in the tomb of Tutankhamen, the young King Tut. But the newly explored tomb, archaeologists said, promised invaluable insights into Egypt's royal family at a crucial period in ancient history.

The discovery was described on Monday by Kent R. Weeks, a professor of Egyptology at the American University in Cairo, who directs a project to map the monuments at the ancient Egyptian capital of Thebes, 300 miles (485 kilometers) south of Cairo. The tomb is part of the necropolis, known as the Valley of the Kings, where monarchs and nobles were buried from 1600 B.C. to 1000 B.C. The site is on the west side of the Nile, across from the ruins of Karnak and Luxor.

"It's like no other tomb I know of anywhere in Egypt," Mr. Weeks said in a telephone interview.

MOST ancient Egyptian tombs consist of only a few chambers, and these are small and laid out along a single axis. Tomb 5, as the new find is designated, not only has at least 67 chambers arranged in a complex plan, but stairs and sloping corridors — yet to be explored — apparently lead to even more rooms on a lower level. These lower rooms may be the actual burial chambers, Mr. Weeks said, and the total number of chambers could exceed 100.



An inscription in the tomb with the name of Ramses II's first son.

Peter Dorman, an archaeologist from the University of Chicago who works across the river at Luxor and has visited the site, praised the discovery as "a very significant find, very impressive and certain to give us a much clearer picture of the family of Ramses II." He also noted that the tomb's architecture was "completely unlike any other tomb" in Egypt.

David O'Connor, an Egyptologist at the University of Pennsylvania's University Museum, said the grandeur of the tomb complex "seems to say something important about the status of royal princes during the Ramses reign." Princes usually had much more modest burial places.

Mr. Weeks wondered if there could be other multiple burials for the families of other pharaohs that have gone undetected.

"Tomb 5 raises many questions about what else the Valley of the Kings and other areas at Thebes may have to offer," Mr. Weeks said in a statement issued by the American University of Cairo. "It is an entirely new type of New Kingdom burial structure."

Egypt and a large part of the region in the 13th century B.C. were dominated by the long reign of Ramses II. He was one of the most powerful rulers in antiquity and a prolific builder of monumental architecture. His empire extended from Libya east to the valleys of the Tigris and Euphrates rivers, from Turkey south to Sudan. His charioteers fought many battles against the Hittites, archenemies in what is now Turkey and Syria. Tradition has it that Ramses was pharaoh at the time of the Exodus of the Israelites from Egypt.

According to the Book of Exodus, the first son of the pharaoh was killed by God. In Chapter 11,

Verse 5, it says: "And all the first-born in the land of Egypt shall die, from the firstborn of Pharaoh that sitteth upon his throne, even unto the firstborn of the maidservant."

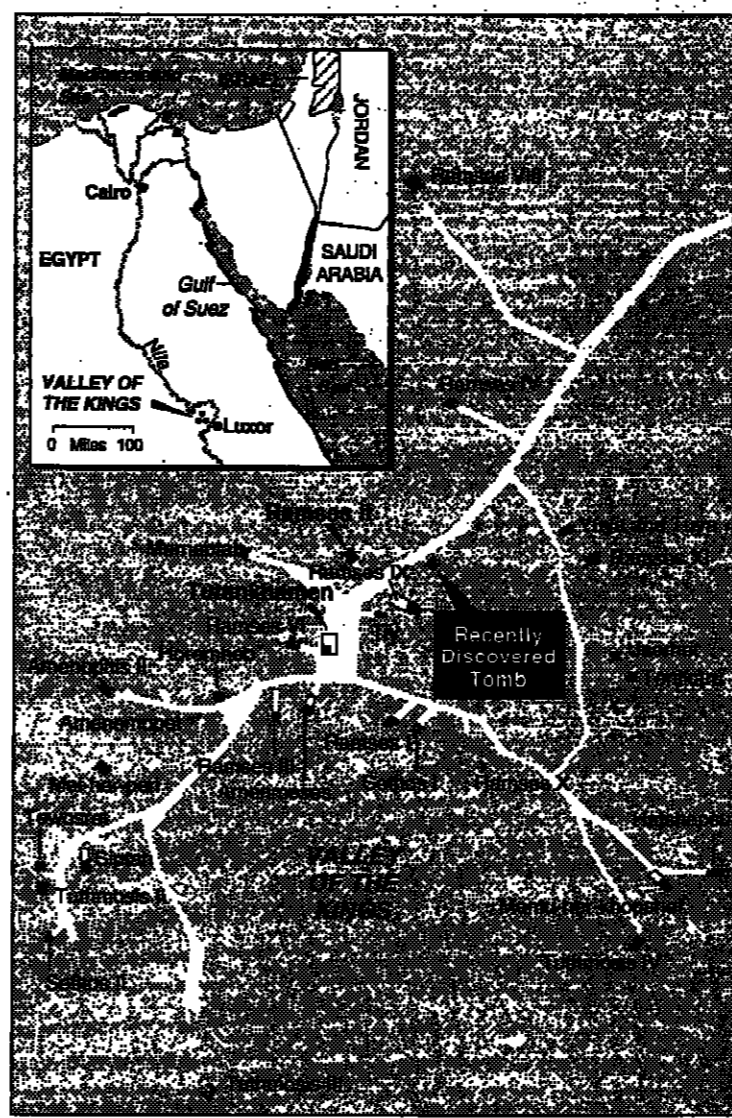
The eldest son of Ramses II was named Amon-her-khepeshef. He is one of the sons whose names are inscribed on the walls of Tomb 5.

The tomb occupies a prominent place in the necropolis, 100 feet (30 meters) from the tomb of Ramses II himself and not far from King Tut's. In fact, when the English archaeologist Howard Carter excavated Tut's tomb, he unknowingly piled dirt and debris over Tomb 5's entrance, further obscuring it.

That entrance was discovered once in 1820 by an English traveler, but he explored no farther than the three outermost chambers, which were unimpressive and had been damaged by floodwaters. In the 1980s, Mr. Weeks and other archaeologists rediscovered the hidden entrance by studying the diaries of 19th-century travelers. They also followed the lead of an ancient papyrus now in a museum in Turin. It described the trial of a thief in 1150 B.C. who was caught trying to rob the tomb of Ramses II and also the "across the path," presumably the one now called Tomb 5.

CUTTING test trenches on the slopes near the Ramses tomb, they uncovered the narrow entrance and did some preliminary investigation. But debris washed in by floods hampered exploration. Only in February was Mr. Weeks and his team able to remove debris blocking the door leading off the grand hall with 16 pillars.

Once through the door, they found less water damage and one surprise after another. They fol-



lowed the passageway leading past 20 doors of smaller chambers and ending at the statue of Osiris, god of the underworld. Two branching corridors each had 20 doors to other rooms. The smallest rooms were about 10 by 10 feet; the largest was 60 by 60 feet.

This was when Mr. Weeks realized he had entered, as he said, "the largest tomb in the Valley of the Kings and maybe the largest ever found in all Egypt." It was certainly more complex and extensive than the standard royal tombs, which are simple structures with a single corridor leading to a main burial chamber.

In an interview with the Reuters news agency in Cairo, Abdelhalim Nour, head of Egypt's Supreme Council for Antiquities, described the structure and the many chambers as magnificent, even if some of the rooms were badly damaged by water, and important because of its "unique design and size from a crucial period in ancient history." The Egyptian government worked with Mr. Weeks in the explorations.

Mr. Weeks speculated that the rooms on the main level were used for religious ceremonies and making offerings to the dead, with the lower rooms set aside for the burials.

The floors were littered with thousands of pieces of pottery, statue fragments, jewelry, beads, pieces

of wooden furniture, stone sarcophagus fragments, inscribed stone vessels, bones from offerings of cooked meat, and pieces of mummified human bodies. Mr. Weeks said there was no indication that looters had penetrated the back chambers or been anywhere in the tomb since antiquity.

Close examination revealed the inscribed names of four sons of Ramses: Decorations in the small entrance rooms included the names of Amon-her-khepeshef, the first-born, and the second son, whose name was, in effect, Ramses Junior. A piece of alabaster jar bore the name and titles of another son, Sety. Outside the entrance, archaeologists found a piece of limestone on which was written the name of Mery-amon, the 15th son.

Historians know the names of all 52 sons, but little else about them. They had previously been able to identify the burial sites of only two of them. Merneptah, the 13th son, succeeded his father as pharaoh and so built his own tomb in the Valley of the Kings. The fifth son, Khamsu, is thought to be buried at Saqqara, south of the pyramids of Giza.

It is entirely possible, Mr. Weeks and other archaeologists said, that all 50 of Ramses' other sons were laid to rest in Tomb 5. Explorations are scheduled to be resumed in July.

Zaire Hunts Down
Feared Carriers2 Are Quarantined in Struggle
To Keep Virus Out of Capital

Compiled by Our Staff From Dispatches

KINSHASA, Zaire — After an intensive manhunt, health officials Tuesday tracked down a riverboat captain and a nurse who they feared might have brought the deadly Ebola virus from the countryside into the teeming capital of Zaire.

Health officials were struggling to contain the virus to the region surrounding Kikwit, a city of 600,000 that has been under quarantine for a week. Kinshasa, the capital, has 6 million people and is only 600 kilometers (375 miles) away.

Dr. Abdou Moudi, the World Health Organization's representative in Zaire, said the nurse might have been in contact with infected individuals in Kikwit. She fled that city a few days ago and came to Kinshasa to be with her family.

"Clinical examinations revealed the lady had typhoid fever," said Faku Kalenga, a member of a Zairian crisis committee. "As a precaution, we have decided to keep her under observation until we have the outcome of further tests."

The captain was treated for diarrhea at a Kinshasa hospital and released before doctors realized his symptoms were similar to those for Ebola. He and the nurse are expected to be quarantined for 28 days.

The WHO says it expects the number of cases in the epidemic to rise sharply in the next few weeks.

So far, there have been 84 confirmed cases, including 77 deaths. The number of cases has quadrupled every 10 to 12 days for the last three weeks, the United Nations organization said.

Last week, officials of the WHO said they expected the total to rise as an international team of epidemiologists identified cases in Kikwit, the focus of the outbreak, and surrounding areas.

The WHO said the number would surely rise over the next few weeks because epidemiologists had found a higher density of inhabitants in houses to which Ebola patients had fled from local hospitals.

Instead of the one to two people the epidemiologists had expected to find living in the same

room, there were 5 to 10 people, making transmission of the virus much more likely, Dr. Ralph H. Henderson, an assistant director-general of the organization, said. "We were not prepared for that," he said.

The case totals are based largely on finding patients who had been treated in hospitals. But many other people, including those who were in contact with known cases, did not go to the local hospitals because infection-control practices were so poor and because relatives and friends had died there.

The incubation period of Ebola virus, one of the deadliest known, is 2 to 21 days. The virus, for which there is no vaccine or cure, is spread through close contact with blood or bodily fluids and kills by causing uncontrollable bleeding. As many as 9 out of 10 people who contract the disease die.

"There must be a lot of people who are incubating the disease at this point, and we are worried about a new generation of cases," Dr. Henderson said. "We are expecting a steep increase in the number of cases."

There has been a tightening of quarantine and other measures to shield Kinshasa from the epidemic.

Authorities have tightened roadblocks on highways from the outbreak zone and issued leaflets and graphic posters telling people not to touch corpses or open wounds.

The crackdown followed reports that people from the infected area were bribing soldiers at roadblocks to reach Kinshasa. The governor of the capital, Bernardin Mungul Diaka, said the blockade was now being strictly enforced.

In a sign of hope, the WHO said four victims in Kikwit were convalescing and that one, a doctor, had fully recovered.

Health workers fighting the virus are grappling with burial rituals, in which families wash the dead.

"Despite current practice in Zaire, we would strongly advise anyone against washing the bodies of people who have died from Ebola virus," Dr. Dongo Mumbo, deputy director of the Ngaliema clinic, said Tuesday.

(AFP, Reuters, AP)

Ports Worldwide
Tighten Screening

Compiled by Our Staff From Dispatches

RABAT — Airports and seaports worldwide have rushed to tighten screening for the deadly Ebola virus that has broken out in Zaire, with some nations imposing bans on imports from the country.

Countries as far away as the Philippines, Turkey, United Arab Emirates and Yemen started monitoring certain plane passengers, following steps taken by Belgium, Zaire's former colonial ruler, and Egypt.

Angola partly closed the border between Zaire and its northern Cabinda enclave. Other neighbors, Sudan and the Central African Republic, have tightened border checks, and South Africa has begun monitoring travelers from Zaire.

Morocco's Ministry of Public Health announced Tuesday that "all necessary measures" had been taken to reinforce health control at border points to prevent the spread of the disease.

The ministry said in a communiqué that while the risk of an epidemic remained "extremely insignificant," it has instituted measures in line with international health regulations and that Moroccan nationals planning to travel to Zaire had been urged to defer their trips.

Airline pilots flying to South Africa from Zaire have been asked to be on the alert for ill

passengers in case they are infected with the deadly virus, health officials said Tuesday.

In Ivory Coast, the Health Ministry announced Tuesday a similar tightening at border points in the screening of all travelers from Africa, adding that anyone showing signs of the virus would be placed in quarantine.

All foods imported from Zaire will be carefully scrutinized at land and sea borders, the ministry said, adding that a ban on wild meat, particularly monkey, was now in force.

Turkey announced Tuesday that all passengers from Zaire and neighboring countries would have to undergo a medical examination at immigration checkpoints.

Egypt's Health Ministry has also announced that passengers arriving at the Cairo airport from Zaire would be screened and that those showing symptoms of the virus would be quarantined.

In Asia, Japan and South Korea have enforced similar measures. Japan's Health and Welfare Ministry instructed quarantine stations Tuesday to tighten inspections on travelers arriving from Zaire.

South Korea announced Monday that visitors arriving from Zaire and its neighboring countries would have to undergo medical checks.

(AFP, Reuters)

China Moves to Curb Drug Traffic

Agence France-Press

BEIJING — China will hold a regional six-nation conference next week to outline the first cooperative strategy to curb the booming Southeast Asian drug trade, a Chinese official said Tuesday.

The May 25-27 conference will bring together ministers from Burma, Cambodia, China, Laos, Thailand and Vietnam, as well as representatives from the

United Nations International Drug Control Program, to discuss ways to combat trafficking, said a spokesman for the National Narcotics Control Commission.

China is to be represented by Tao Siju, the minister of public security and director of the Chinese drug commission, the spokesman said.

Each nation is to send a delegation of five to eight officials.

In 1993, Burma, China, Laos, Thailand and the UN panel signed a memorandum of understanding in New York, adopting a joint strategy to fight the region's flourishing drug trade.

The aim of the meeting next week is to build on that strategy and to bring Cambodia and Vietnam into the fold, the Chinese spokesman said.

Southern China — which shares borders with Burma, Laos and Vietnam — has become a major route for the trafficking of drugs produced in Southeast Asia to the international market.

TRAVEL UPDATE

Hungary Protests Tourist Crime Rap

BUDAPEST (Reuters) — The Hungarian Foreign Ministry said that a British Consumers' Association magazine was wrong when it branded Hungary as one of the top crime spots for tourists, saying that in reality the opposite was true. The survey of 16,000 readers in one of the association's magazines last week said that of 34 British visitors two, or 5.9 percent, had been mugged in Hungary.

"Even laymen will accept that this survey was statistically nonrepresentative," said a Foreign Ministry spokesman. Gabor Szecsenyi, Hungary's 40 million foreign visitors last year, including 21 million tourists, and 14,000, or 0.35 percent were hurt in some way by crimes, he said. Of these 14,000 cases 13,242 were simple thefts and there were 108 robberies.

"Considering these numbers, Hungary is one of the safest countries in the world," Mr. Szecsenyi said.

The European arm of the U.S. car rental company Avis Inc. has signed a cooperation contract with Tarom, the Romanian state airline. Avis Romania, owned by Ion Iriac, the tennis player-turned-banker, is licensed by London-based Avis Europe. The agreement, which is expected to be operational this week, gives Tarom passengers advance reservations. (Reuters)

Scandinavian Airlines System says it has been forced to stop its flights to Kiev, the Ukrainian capital, because of a 15 percent tax levied on all its earnings on the route. The tax, imposed by the Ukrainian government, was to be collected from all ticket sales regardless of whether they were sold in Ukraine. (Reuters)

Foreign tourists are staying away from China's famous Three Gorges along the Yangtze River because of shoddy service on cruise ships, a Shanghai daily said Tuesday. Fifty-nine tourist boats now steam through the gorges that are threatened by the world's largest dam, and they are clogging the narrow waterway and putting off visitors, the Wen Hui daily said. Now the government is stepping in, the newspaper said, telling local governments to clean up the cruise industry by the end of June. (Reuters)

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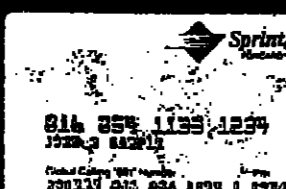
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07/10/1995

THE AMERICAS

Republican Budget Plans Are Losing Support, Poll Shows

By Richard Morin
Washington Post Service

WASHINGTON — Not even the promise of a \$350 billion tax cut appears to be enough to entice a majority of Americans to support plans by congressional Republicans to balance the federal budget within seven years by slashing government programs and spending, a Washington Post-ABC News survey suggests.

The poll found that 56 percent of those interviewed said they opposed the plan announced last week by Senate Republicans to eliminate the Commerce Department, cut the growth in Medicare and Medicaid spending and end more than 100 federal programs.

An even larger majority of 60 percent rejected the competing proposal by Republicans in the House, who would ax two additional departments, Energy and Education; eliminate more than 200 federal programs; and cut taxes by \$350 billion to achieve a balanced budget by 2002.

There also was more good news in the poll for President Bill Clinton and the Democrats. Mr. Clinton's popularity has rebounded sharply in recent weeks. Fifty-six percent of those interviewed for the survey said they approved of the job that Mr. Clinton was doing, up from 46 percent in early April.

Americans appeared to be particularly impressed with the way that Mr. Clinton handled the aftermath of the bombing in Oklahoma City, with more than eight out of 10 expressing support.

The survey also suggested that President Clinton's nomination of Henry W. Foster Jr. to be surgeon general was less controversial with most Americans than with lawmakers on Capitol Hill. According to the poll, 45 percent of those interviewed said the Senate should confirm Dr. Foster, while 29 percent disagreed and the rest expressed no opinion.

Among those who said the Senate should re-

ject Dr. Foster, half cited his performance of abortions as part of his practice as an obstetrician-gynecologist.

The pollsters interviewed 1,011 randomly selected adults for the survey, from May 10 to 14. The margin of sampling error for the results was plus or minus 3 percentage points.

The poll also found that overall support for Republicans in Congress may be waning.

Americans were evenly divided on the question of who they trusted to better handle the country's biggest problems: 42 percent said they trusted Mr. Clinton more than the Republicans, while 42 percent expressed more confidence in Republicans.

Last month, nearly half — 49 percent — of those interviewed said they trusted Republicans in Congress with the country's biggest problems, while 41 percent said they trusted Mr. Clinton.

The Republicans' apparent diminished standing was mirrored in initial public reaction to

their proposals last week to balance the federal budget.

Not only did majorities reject each plan separately, six out of 10 people interviewed also said they preferred neither the Senate nor the House proposal — a view shared by seven out of 10 self-described Democrats, six in 10 independents and more than four out of 10 Republicans.

In addition, the poll suggested that the public's appetite for big cuts in welfare and military spending may be diminishing.

Fifty-two percent of those interviewed said they opposed any further cuts in welfare spending to reduce the federal deficit, a view shared by just 34 percent of those interviewed in January during the height of public support for Republican efforts to slash spending.

Similarly, six out of 10 people interviewed said they opposed further reductions in military spending, a view shared by four out of 10 just five months ago.

POLITICAL NOTES

Triumph Nears for States' Righters

WASHINGTON — The chairman of the Senate Finance Committee has handed Republican governors a political triumph, proposing a U.S. welfare reform plan that would turn over to the states about \$17 billion every year with almost no strings attached.

"I am going to give to the states as much flexibility as I have the votes to give them," said Senator Bob Packwood, Republican of Oregon. He said Monday that he intended to turn over welfare funds to the states as a lump sum payment, or block grant. "They cannot use it for airport tarmac or radar, but short of that I am going to have it as flexible as possible."

Mr. Packwood, whose committee has jurisdiction over the main welfare program, Aid to Families with Dependent Children, said he is working on legislation that would jettison the federal policymaking role in welfare and give the states near total freedom to innovate and experiment with welfare.

"I'm willing to say to the states, O.K., we have failed," Mr. Packwood said. "Can I guarantee that states will be successful? No. Some will, some won't. Is it worth the risk of trying? Yes." (WP)

Waco Testimony, From All Sides

WASHINGTON — The House Judiciary Committee chairman, Henry J. Hyde, Republican of Illinois, says that witnesses at hearings next month into a 1993 assault on a religious compound near Waco, Texas, would probably include believers in an alleged federal conspiracy to intentionally kill the Branch Davidians who stockpiled weapons there.

Allowing conspiracy theorists to testify, Mr. Hyde said, would give a therapeutic but controlled airing to suspicions that support an anti-government paranoia among some individuals.

"Otherwise, they'll think we're part of the conspiracy, too," he said.

Mr. Hyde told Washington Post editors and reporters during a luncheon interview that he did not want the Waco hearings "to turn into an orgy of recrimination and vituperation because it can easily."

"Serious mistakes were made, and I think it's therapeutic to recognize them," Mr. Hyde said, "but let's not characterize all of our law enforcement agencies as monsters ready to shoot from the hip all the time." (WP)

State Department Awaiting the Ax

WASHINGTON — A House of Representatives committee has approved a bill ordering a sweeping reorganization of the State Department and slashing spending on its operations and on U.S. foreign aid.

The International Relations Committee passed the bill by a party-line vote of 23 to 18 on Monday, sending it to the full House for consideration expected next week. A similar measure will be considered by a Senate committee this week.

Both bills would abolish the Agency for International Development, which runs the U.S. foreign aid program, the Arms Control and Disarmament Agency and the U.S. Information Agency, which includes the Voice of America radio network. The State Department would take over much of their work.

Officials of President Bill Clinton's administration strongly opposed the plan, but Republicans said it would eliminate agencies that are relics of the Cold War and eventually save money. Apart from its shake-up of the U.S. foreign policy apparatus, the bill also set much reduced spending levels for the State Department and its agencies and foreign aid, setting a level of \$16.4 billion in the fiscal year starting on Oct. 1, a reduction of \$1 billion from the current year.

Opponents complained that the budget cuts would have a devastating effect on aid to developing countries. (Reuters)

Quote / Unquote

President Bill Clinton on the punitive tariffs on Japanese cars: "We can't anymore deny this or sweep it under the rug. We have to go forward and we are going to do that." (AP)

Masaharu Tanaka, the executive vice president of Toyota: "The U.S. government conducts its trade policy in a coercive manner completely beyond our comprehension. It's simply unacceptable." (AP)

Away From Politics

• Arizona is the second state to reinstate the chain gang, putting shackled prisoners to work whacking roadside weeds and breaking rocks. On May 3, Alabama became the first state in decades to bring back the chain gang. (AP)

• The lawyer for Timothy J. McVeigh, a suspect in the bombing in Oklahoma City, will seek a 30-day delay in the demolition of the shattered Alfred P. Murrah federal building. The lawyer, Stephen Jones, said in a television interview in Oklahoma City that the delay would allow Mr. McVeigh's legal team access to the building that was destroyed in the April 19 bombing. (Reuters)

• A foundation in Philadelphia that solicited funds from non-profit groups with the promise of doubling their money within months has filed for bankruptcy protection. The Chapter 11 filing could affect hundreds of charities, including museums and universities, that had placed money with the Foundation for New Era Philanthropy. (AP)

• The prisoner who bludgeoned Jeffrey Dahmer and another killer to death has changed his plea to no contest and will remain incarcerated for the rest of his life.



Inmates from the Arizona Department of Corrections working on the chain gang to clear weeds from a highway.

CIA Head Replaces Leadership

By Tim Weiner
New York Times Service

WASHINGTON — The new head of the CIA has appointed a leadership of outsiders to run the troubled spy service, but he warned that the appointments by themselves would not solve the agency's problems.

As he had promised, the director of central intelligence, John M. Deutch, appointed an entirely new group of people who have experienced the CIA from the outside — primarily as staff members in Congress, the National Security Council and the Pentagon — to take over top positions. Their job, he said, will be to make the Central Intelligence Agency a more effective, accountable, responsible and happier place.

He also said he was creating a search committee to find a new chief of covert operations. The panel will try to find a new direction as well as a new director for that segment of the agency, which operates clandestinely abroad and has been the source of a series of scandals and embarrassments.

The committee includes Nora Slarkin, whom Mr. Deutch appointed on Monday as executive director, the third-ranking post in the agency. No woman ever has held a position that high at the CIA.

The other members of the committee are Brent Scowcroft, President Bush's national security adviser; John McMahon, deputy director of the CIA under President Reagan; James Lilley, a former ambassador to South Korea and China and a CIA station chief in Beijing; and E. Norbert Garrett, also a former station chief.

Mr. Deutch confirmed that he would nominate George J. Tenet, director of intelligence programs at the National Security Council and a former staff director of the Senate intelligence committee, as the deputy director of central intelligence.

Witness Counters Claim on Simpson Sock Stains

The Associated Press

LOS ANGELES — A pair of socks found in O. J. Simpson's bedroom were splattered with microscopic drops of blood, a scientist testified Tuesday, countering a defense claim that the blood was planted by the police.

The California Department of Justice scientist, Gary Sims, who is the second major DNA witness to testify, also suggested that the blood was on areas of the socks where the blood would have splashed up from the ground.

He did not immediately testify about DNA tests on the socks and other items. But another witness has testified that DNA tests virtually ensure that some of the blood on the socks came from one of the murder victims.

Under questioning from a prosecutor, Rockne Harmon, Mr. Sims addressed defense contentions that the blood was planted on the sock by the po-

lice to frame Mr. Simpson, the former professional football star and actor. The defense backed up its allegation by noting that no one noticed the blood when the socks were seized the evening after the murders.

But Mr. Sims said it was difficult to see any of the blood, and that only after he looked at the socks through a low-power microscope did he realize the full extent of the stains.

"The more time you spend looking at them," said Mr. Sims, "you really do see a lot of stains on there. There's a large number of small stains."

He also suggested that the blood was in a logical area for someone walking through blood.

"Those stains would either be both on the outside or both on the inside," said Mr. Sims.

"Depending on which foot you put the sock on?" asked Mr. Harmon.

"That's right," said Mr. Sims.

Mr. Sims began what will very likely be several days of extensive testimony after a ruling by the judge cut short the testimony of Dr. Robin Cotton, the first DNA witness.

In a setback for Mr. Simpson's defense, Superior Court Judge Lance A. Ito said that Dr. Cotton, the lab director of Cellmark Diagnostics, did not have to give statistics of genetic matches to accompany her testimony that a blood stain found on the steering wheel of Mr. Simpson's Bronco came from more than one person.

The defense, suggesting that some mystery person smeared blood on the steering wheel, has indicated that statistics show that more than a third of the world's population could have contributed to that stain. Mr. Simpson's attorney had wanted to question Dr. Cotton about these numbers.

But Judge Ito allowed prosecutors to put off the matter for

now and elicit that statistical evidence from another witness later in the case. Dr. Cotton was dismissed after six days of testimony, although she may still be recalled. Mr. Sims then was sworn in.

His laboratory did much of the DNA testing of blood and fiber samples, including blood found on a glove discovered behind Mr. Simpson's house. Prosecutors have said the tests show that the glove was covered in a mixture of blood from both victims.

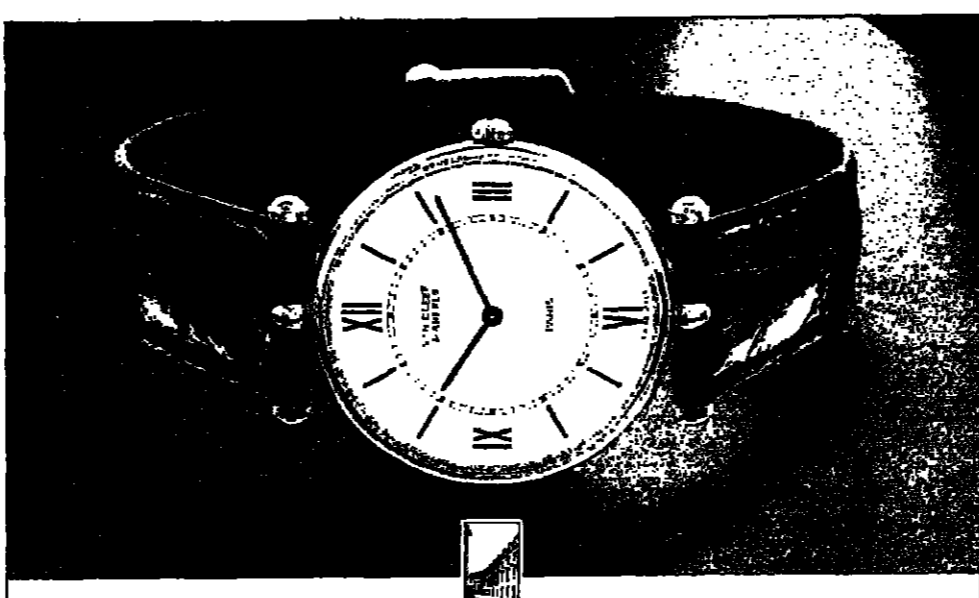
On Monday, jurors bombarded with statistics linking Mr. Simpson's DNA to murder,

heard Dr. Cotton's disclosure that some figures were based on a genetic comparison with just two other black men.

Although legal analysts said the new figures, elicited by a defense attorney, may be misleading, they agreed that the defense had scored a significant point by bringing them out.

Dr. Cotton said, however, that she did not consider the figure "a critical feature" of her calculations.

Mr. Simpson is charged in the June 12 knife slayings of his former wife, Nicole Brown Simpson, and her friend Ronald L. Goldman.



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FBI Kept Tabs on AIDS Action Group

By David W. Dunlap
New York Times Service

NEW YORK — The New York office of the FBI kept watch on Act Up, the AIDS advocacy group, during the years that it staged some of its most conspicuous demonstrations against government policy on AIDS, according to a file supplied by the bureau to the Center for Constitutional Rights.

Of the 199 pages the FBI compiled on Act Up, 22 were sent to the center, which requested the data under the Freedom of Information Act.

To judge from what little was made public, the file amounts mostly to newspaper clippings.

In response to a request for information, the FBI also said it had hundreds of pages of files on the American Jewish Committee, American Jewish Congress and Clergy and Laity Concerned, said Michael E. Deutsch, legal director for the center, a group that specializes in civil rights cases.

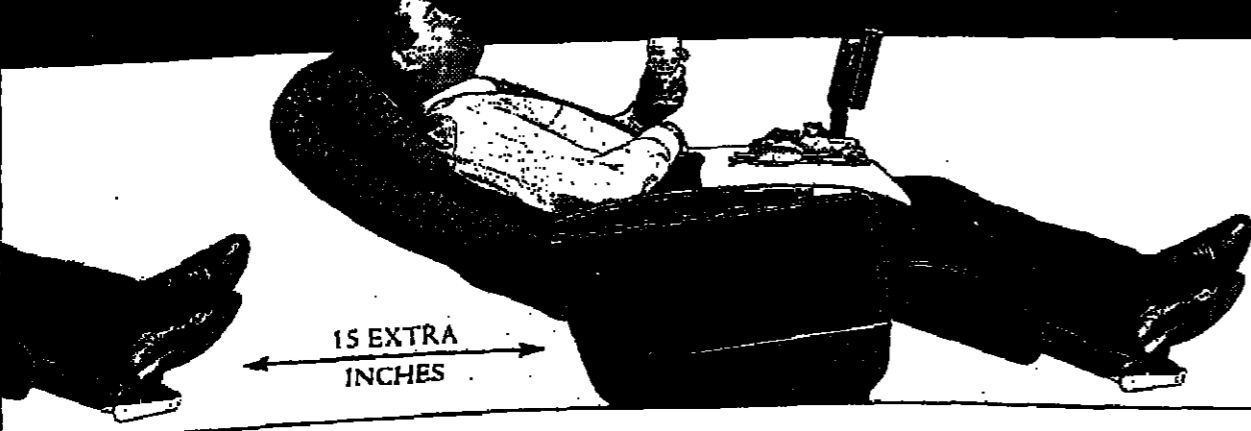
The bureau also reported that there were small files on such organizations as the Center for Immigrants' Rights and Gay Men's Health Crisis, Mr. Deutsch said.

"These are public groups that don't advocate violence," he said. "One can only speculate on why the FBI is collecting documents on these groups when they say they weren't able to do the same thing for militias and violent right-wing groups."

James K. Kallstrom, the assistant director in charge of the New York FBI office, said, "The answer is, we're not."

There is no "investigative interest" in Act Up, he said. Asked if that meant surveillance, Mr. Kallstrom answered: "Meaning anything. There is no interest whatsoever."

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Wharton, N.J., Vol. 1, 1995

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ASIA

Even With Guru's Arrest, Fear That 'Trouble Isn't Over'

By Andrew Pollack
New York Times Service

KAMIKUSHIKI, Japan — Shoko Asahara prophesies that a huge conflict will destroy the world in 1997, but that his enlightened followers will survive. But with Mr. Asahara's arrest Tuesday, Armageddon appears to have come two years early for his Aum Shinrikyo cult — and it is far from clear whether the sect will survive.

The capture of the charismatic guru is expected to deal a severe blow to Aum Shinrikyo, whose leader and members are

being charged with conducting the sarin nerve gas attack on the Tokyo subway.

Even if Aum Shinrikyo survives as one more alternative religion, the imprisonment of Mr. Asahara and many of his top lieutenants would cripple the cult's ability to become what Mr. Asahara had apparently envisioned: a "sovereign state" with its own government and the ability to wage war, be it with guns, bacteria or nerve gas.

The Ministry of Education said it was prepared to move to weaken Aum further by applying to remove its designation as a religious organization. That

designation confers tax-exempt status and allows the sect to own property. Followers would be able to continue to practice the religion, however.

But the arrest of the 40-year-old leader in the cult compound here is far from the end of Aum Shinrikyo, which claims 10,000 members and 24 branches throughout Japan. Many of the cult members are carrying on as before, although there do appear to have been many defections as well in the last two months. What people most fear is that some of Aum members still have sarin or some other weapons and will now use them

to seek retribution for the arrest of their leader.

"I am relieved, but the trouble has not ended yet," said Yoshio Ando, a businessman in this village at the foot of Mount Fuji that has played the unwilling host to Aum Shinrikyo for more than six years. "This is a group of crazy people."

At the cult's compound in Kamikushiki on Tuesday evening, people continued to live and work in the No. 6 Satian building, even after Mr. Asahara was escorted away by police officers from the concealed room between the second and third floors in which he was

meditating. A recording of Mr. Asahara's holy song, to which cult members are made to listen over and over, could be heard emanating from a smaller building nearby.

The big question is how well the organization can function without its guru.

It is possible that Mr. Asahara, who police said had denied involvement in the sarin attack, might be able to defend himself against the charges or, if he fails, exert his influence from prison. Or, if he is executed, he may become a martyr whose mantle is assumed by another strong leader.

Cult Case Promises to Be in Court For Years

Reuters

TOKYO — Japan's methodical judicial system could take years to hand down a verdict on the Aum Shinrikyo cult accused of carrying out the nerve-gas attack on Tokyo subways.

But the country's courts may hold the group's leader, Shoko Asahara, and some of his followers for years in a detention center before a final verdict is reached.

The police and prosecutors have a total of 22 days to question Mr. Asahara. After that period, state prosecutors must decide whether to indict him.

In Japan, which abolished the jury system in the 1930s, prosecutors — not a grand jury — indict suspects. Judges hand down verdicts and sentences.

Even if indicted, a defendant may be released on bail. But the court that receives custody of the defendant may refuse to release one who it fears may flee or destroy evidence and may keep them in a detention center.

"In this case, it's highly unlikely that the court will grant bail, except for serious illness," a Justice Ministry source said. "They've been doing nothing to destroy evidence."

The trial in the Tokyo District Court, could last at least three years given the complex nature of the case, judicial sources said. If either side appeals, the additional session could last another three years.



Japanese police detaining a member of Aum Shinrikyo during a raid Tuesday on the sect's compound near Mount Fuji.

Defendants could accuse the state of infringing on constitutional rights of religious sects, which could take the case to the Supreme Court. That could mean a wait of four or five years before final judgment, the sources said.

All told, the final verdict may be more than 10 years away.

In a celebrated case, it took courts 19 years to reach a final conclusion in the 1976 Lockheed payoffs scandal. It was not until February that the Supreme Court handed down the final judgment, a rejection of a 1988 appeal by the defendants.

The prime defendant in that case, former Prime Minister Kakuei Tanaka, never served his prison term because he died in 1993.

In the opening statement of the Aum trials, prosecutors may demand the death sentence for Mr. Asahara and some of his followers, because the nerve-gas attacks were indiscriminate and premeditated, the U.S. equivalent of a first-degree murder.

The case could become entangled further if prosecutors decide to pursue sedition and other additional charges.

On the civil side, Prime Minister

Tomichi Murayama said he would soon begin government discussions to request a formal court order to disband the sect.

The Ministry of Education and the local government, in this case Tokyo, have the right to make court demands for disbanding sects.

This could take up to three years before the court hands down a disbandment order, according to Japanese news reports. It could then require another several years to liquidate the sect's assets, which would be confiscated.

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Appears on Page 8

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EUROPE

Police in Germany Come Under Fire

Rights Group Alleges Pattern Of Anti-Foreigner Brutality

By Rick Atkinson
Washington Post Service

BERLIN — German police have shown an alarming pattern of brutality in their treatment of foreigners and ethnic minorities in the last three years, the human-rights organization Amnesty International said Tuesday.

An Amnesty International report cites more than 70 incidents investigated by the organization from January 1992 to March 1995 in which it says the police "used excessive or unwarranted force in restraining or arresting people, or had deliberately subjected detainees in their custody to cruel, inhuman or degrading treatment."

Nearly all of the cases involved foreign nationals, including asylum-seekers and refugees, according to the report, which was made public in Bonn. More than half the incidents involved police officers in Berlin, which has a large population of Turks, Poles and other non-Germans.

Thomas Rabe, spokesman for the Berlin Senate department that oversees the police, said that "the accusations are absurd and don't apply to Berlin." The Berlin government has instituted a program to make the police more sensitive to foreigners, Mr. Rabe said, and an independent commission was established last year to scrutinize police behavior.

Of 52 brutality accusations investigated recently, only 2 were referred for prosecution and in 25 of the cases the complainant was subsequently cited for resisting arrest, he said.

"It would be alarming if these accusations were true," he added. "But we have trust in our justice."

The federal interior minister, Manfred Kanther, said in a statement from Bonn that accusations of "a pattern of mistreatment falsify reality."

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"Whenever accusations are raised against the police," he said, "they are investigated and resolved regardless of the consequences."

Other police officials have described brutality cases as isolated episodes involving a few rogue officers. Although some officers have been prosecuted and jailed for their action, the Amnesty International report sharply criticizes "the failure of the German authorities to investigate every complaint of alleged ill-treatment promptly, impartially and thoroughly."

"I think I could safely say on the basis of the reports we've received that the problem has steadily worsened," said Michael C. Butler, who supervised the study.

"One of the reasons is that the authorities have done far too little to tackle the problem," he said in an interview. "They still insist that it's just a few little isolated incidents."

Germany has been plagued since reunification in 1990 with xenophobic incidents, including murder. About 6.5 million foreigners live in Germany, and they make up 8 percent of the population. Federal statistics record more than 14,000 racially motivated crimes from 1992 through 1994, although officials in Bonn contend the epidemic has subsided recently.

"I see a relationship between racism in society and racist incidents in the police in that the police reflect society in all countries," Mr. Butler said. "This is the most alarming aspect of our findings: That at a time when foreigners might expect more police protection, frequently they've been confronted with baton, fist or boot."

The report, titled "Failed by the System: Police Ill-Treatment of Foreigners," cites medical evidence from victims with "bruised teeth, sprains and bruises, and in several cases broken bones—injuries consistent with the victims' allegations that they had been punched, kicked or struck with a police baton."



Mr. Chirac is expected to name Mr. Juppé, left, as prime minister Wednesday after taking over as France's president.

BRIEFLY EUROPE

Union Is Urged to Scrap the Veto

STRASSBOURG — The European Parliament struggled Tuesday to come up with a common vision of Europe's future, with much of the debate concerning the rights of the European Union's members.

More than 200 amendments had been made to a report on an intergovernmental conference that will be held next year on the Maastricht treaty. The report, one of a number produced by EU institutions, is scheduled for a vote by the Parliament on Wednesday.

Among its most controversial provisions is one to do away with the veto, which has been used to derail initiatives on issues from foreign policy to taxes. Individual states can now block any of the proposals they do not like, while foreign policy is dealt with between governments.

Under the Parliament's draft report, the EU is urged to do away with both arrangements and to replace them with a simple majority system.

Limiting the veto is widely supported by the Parliament and other EU institutions, but Britain said it would fight such a move at the constitutional review next year. (Reuters)

Chirac Is Set to Step In as President

PARIS (Combined Presses) — Jacques Chirac will take over Wednesday as president of France for seven years and is expected to appoint Alain Juppé as prime minister.

President François Mitterrand will brief Mr. Chirac on state secrets and give him the launching codes for France's nuclear strike force during a meeting at 11 A.M., after he arrives to a 21-gun salute.

Mr. Chirac's first 36 hours in office will have a strongly symbolic flavor. After appointing Mr. Juppé on Wednesday, he is expected to visit the grave of his political mentor, Charles de Gaulle, at Colombey-les-deux-Eglises. He will meet Chancellor Helmut Kohl of Germany in the French border city of Strasbourg on Thursday.

The European Union's chief, meanwhile, wished a fond farewell to Mr. Mitterrand, crediting him for much of the EU's progress in the past 14 years. In a letter to Mr. Mitterrand, the president of the European Commission, Jacques Santer, thanked him "for the considerable progress you have made for Europe in your two terms of office. Having sat next to you for many years, I can bear witness to the eminent role you have played among us." (Reuters, AP)

WEU Warns of 2 Global Threats

LISBON — Ministers from 27 European countries, fearing a Japanese-style nerve gas attack, have pinpointed the proliferation of nuclear and chemical weapons as a major global threat.

"The proliferation of all weapons of mass destruction and their delivery means continue to constitute a threat to international and European peace and security," said a report adopted by the foreign and defense ministers at a meeting Monday of the 10-nation Western European Union.

The report, on a new generation of security threats facing an unstable post-Cold War Europe, stressed the dangers of such weapons falling into the hands of terrorists. (Reuters)

A Shift in EU-Morocco Fish Talks

BRUSSELS — Hoping to avoid another impasse in talks on fishing rights off North Africa, European Union and Moroccan officials took a new tack Tuesday, studying possible joint ventures instead of divvying up fish stock.

The European Commission has proposed teaming up with Moroccans on ship-owning, fishing, processing and distributing the catch that comes out of Morocco's territorial waters.

The EU spokesman, Marco Zatterin, said the proposed "partnership agreement" would allow Morocco to develop its fishing industry while giving European boats continued access to Moroccan waters. (AP)

Greens Seek Partners to Unseat Kohl

Reuters

BONN — Germany's surging Greens Party urged Social Democrats on Tuesday to join forces at the state level in coalitions that could help topple Chancellor Helmut Kohl's center-right national government in 1998.

Boostered by two state elections on Sunday that confirmed their status as the third force in German politics, party leaders said it was time for the Social Democrats to throw their weight behind the "red-green" option as a model for future coalitions.

Social Democratic leaders were not talking about their intentions even though a coalition seemed the most practical alternative in North Rhine-Westphalia, Germany's most populous state. The Social Democrats lost their 15-year majority there in Sunday's voting.

Joschka Fischer, the Greens' parliamentary leader in Bonn, said a Social Democratic-Greens alliance in North

Rhine-Westphalia could be a model for a similar coalition on the national level one day.

"If an ecological and social reform policy can succeed with the Social Democrats in North Rhine-Westphalia, then there is a tremendous chance that Rudolf Scharping will be federal chancellor in a red-green coalition in 1998," he told German radio.

Mr. Scharping is leader of the Social Democrats. His party is divided over casting its lot with the Greens, and he took a wait-and-see line.

"We must link Germany's ecological and economic future very closely," he said. "We will have to see if this can be agreed upon with the Greens. We must not approach this with euphoria that replaces reason."

Joining forces with the Greens in North Rhine-Westphalia would be particularly sensitive for the Social Democrats because of the Greens' aggressive environmental policies, which traditional Social Demo-

cratic supporters in the coal and steel region fear could cost more jobs.

The Greens have sought a coalition with the Social Democrats in vain for years and were disappointed with the party's less-than-eager reaction to

forming governments in North Rhine-Westphalia and the city-state of Bremen.

Krista Sager, the Greens' co-leader, said in a radio interview that for now a coalition was "not just a conceivable perspective, it is the only one."

Calendar

European Union events scheduled for Wednesday:

STRASSBOURG: 1995-96 growth projections will be presented by the commissioner for economic and monetary union, Yves-Thibault de Silguy.

LONDON: Jacques Santer, president of the European Commission, meets with Prime Minister John Major of Britain.

STRASSBOURG: The European Parliament will issue its decision on the Bourlanges/Martin report on the intergovernmental conference in 1996; question the commission on the preliminary 1996 budget proposal, and welcome President Mary Robinson of Ireland.

MOZAMBIQUE: João de Deus Pinheiro, commissioner of relations with African, Caribbean and Pacific countries, completes his trip through southern Africa.

Herald Tribune

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Source: VIVA Survey 1994-95 • Reader Survey '94

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INTERNATIONAL

Mental Illness Seems to Be on the Rise in Poorest Nations

By Barbara Crossette
New York Times Service

UNITED NATIONS, New York — Mental illness and behavioral problems are on the increase in the world's poorest nations, even as advances are made against debilitating or fatal physical diseases, a team of experts assembled by Harvard Medical School said here.

The deterioration in mental and social health threatens more violence, ethnic conflict and instability in developing nations, the team warned in a study prepared by 88 specialists from 30 countries.

The study, "World Mental Health: Problems and Priorities in Low-Income Countries," which is being published as a book by Oxford University Press, was issued here as part of an effort by the authors to involve the United Nations in drawing attention to the problem.

"It is a myth that mental health is not a serious global problem," Arthur Kleinman, a co-author and the originator of the study, said before

presenting the findings to Secretary-General Boutros Boutros Ghali.

"Nothing could be further from the truth," said Mr. Kleinman, an anthropologist and psychiatrist who has been studying mental health in Asia, primarily China, since 1968. He is calling for a global conference on the issue, similar to those held in recent years on population and poverty. "The problem is broad, not just neuro-psychiatric disorders, but also behavioral problems like substance abuse and violence."

There is an important link to the United Nations, he said.

"What this book does demonstrate that major demographic shifts, ethnic conflict, refugee movements, internal displacement, the international drug trade, the growth of megacities and to some extent economic restructuring have contributed to these problems."

The specialists found that in many countries rapid social and economic changes were creating special stresses on the elderly.

Mr. Kleinman said national governments as

well as international organizations needed to focus on mental and behavioral problems, which are often relegated to the margins of policy in some countries because of the stigma attached to the mentally ill.

Yet, in many poor countries, there are imaginative and successful small efforts to deal with personal and community breakdowns, he said.

He described programs in Thailand in which Buddhist monks work with narcotics abusers, and in Malaysia, where healers called "drug bombers" treat heroin addicts in communal settings. In southern India, women enrolled in a literacy program in Andhra Pradesh became the core of a large women's movement against alcoholism. More than 6,000 liquor stores were closed in the state.

In Swaziland, in southern Africa, community mental health programs involve traditional healers, public health workers and family members.

These kinds of programs need national and international support, Mr. Kleinman said.

Among the findings of the study are these:

• Mental retardation and epilepsy rates are up to five times as high in poor countries as in richer ones. In certain Asian and African nations, up to 40 percent of sufferers go untreated because anticonvulsive medications are too expensive or not available.

• Reported schizophrenia cases in poor countries are likely to rise to 24.4 million by the year 2000 from 16.5 million in 1985. By 2025, three-quarters of the world's dementia cases will be in the developing world.

• Domestic violence and the abuse of children is high in many low-income societies. From 20 percent to 75 percent of married women in developing countries are victims of domestic violence. The abandonment of unwanted children and the use of minors in the commercial sex industry and slavery are becoming "epidemic" in many parts of the world.

The report recommends a major world initiative to upgrade mental health services in Africa, Asia, Latin America and the Middle East, with emphasis on the training of more health-care workers.

Overt Racial Politics Resurface in Kenya

Moi Assails White Conservationist For Backing an Opposition Group

Reuters

NAIROBI — President Daniel arap Moi of Kenya has called the conservationist Richard Leakey a "white man" trying to challenge the government over his backing of the formation of a new political group.

"White people tell us change, change, change," Mr. Moi told a rally in Nyeri, in Kenya's mainly Kikuyu central province on Monday. "They are urging us to have political reforms."

"Even Leakey, a white man, comes and tells us: I want to remove you," Mr. Moi said in televised remarks.

In an announcement that shook Kenya's political establishment, Mr. Leakey said May 7 that he was associating himself with an alliance of young opposition leaders.

Mr. Moi's government faces criticism from Western donors, some of which have suspended aid programs after complaining of human rights abuses.

Mr. Leakey, a paleoanth-

ropologist who gained fame with his discoveries of fossils of early man, was instrumental in saving Kenya's elephants during his 1990-1994 term as head of the Kenya Wildlife Service. He was ousted last year in a campaign led by senior ministers, who accused him of corruption and called him a racist.

"Leakey says he is not racist," Mr. Moi said, "yet while head of KWS he fenced off land only belonging to whites to protect it from animals."

"Why did he not also fence off land belonging to ordinary blacks?"

Most prominent in the group Mr. Leakey is backing is the opposition figure Paul Muite.

"This organization wants to destabilize the country," Mr. Moi said. "Muite calls for civil disobedience, and yet Leakey is in that group."

As wildlife chief, Mr. Leakey attracted more than \$500 million in aid pledges. Donors suspended much of that money when he was forced out.

Beijing and Manila Face Off Over Reef

Confrontation in Spratlys Sparked by Journalists' Visits

(This is a pool report by Ruben Alabastro of Reuters, who returned on Tuesday from a media visit, organized by the Philippine Defense Department, to the disputed Spratly Islands in the South China Sea. Its release was delayed because of reporting restrictions imposed on the visit.)

Reuters

OFF MISCHIEF REEF, Spratly Islands — Two Chinese vessels blocked a Philippine Navy ship carrying a senior general and a group of foreign and Filipino journalists in a tense 70-minute confrontation Saturday near a Chinese-held reef in the Spratly Islands.

The two Chinese ships, with markings identifying them as fishing boats, cut across the bow of the Philippine Navy tank-landing ship Benguet and then hemmed in the vessel from two sides.

As the two Chinese boats moved toward the Benguet, the general on board, Major General Carlos Tanaga, called in his patrol escort, the Miguel Malvar, which immediately took up a position between the Chinese vessels and the Benguet.

Later, two Chinese frigates appeared on the horizon in apparent support of the Chinese

fishing boats. The frigates appeared to be advancing at top speed.

In Beijing, the government warned the Philippines on Tuesday that any similar action could result in "serious consequences."

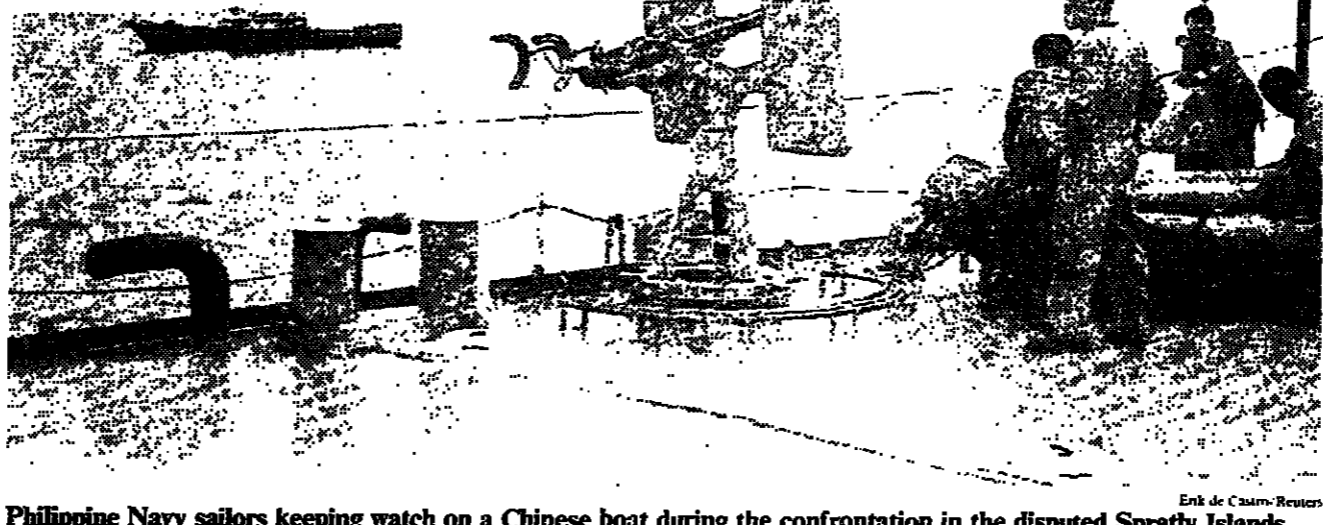
"We advise the other side not to misinterpret China's restraint but instead return to the correct path of negotiations to resolve this dispute," the Xinhua press agency quoted the Foreign Ministry spokesman, Shen Guofang, as saying.

Mr. Shen said Manila had defied Beijing by going ahead with the journalists' tour despite repeated warnings from China.

"The Philippines side ignored China's solemn warning and willfully carried out the activity," he said. "This seriously encroached on China's sovereignty. For this China lodged a serious protest with the Philippines government."

He added, "If the other side clings obstinately to its course and willfully takes dangerous actions, it must bear the full responsibility for any serious consequences."

At one point Saturday, the smaller of the Chinese fishing vessels, its dark blue hull



Philippine Navy sailors keeping watch on a Chinese boat during the confrontation in the disputed Spratly Islands.

marked with the words "China's Fishing Administration 34" in Chinese characters, steamed to within about 50 meters of the Benguet.

Men on the boat peered at the Benguet through binoculars, took pictures and shot video of it. One of them waved the Benguet off, as if shooting it away.

The incident was the first physical confrontation in the Spratly Islands between China and the Philippines, two of the six nations claiming the potentially oil-rich islands in the South China Sea.

The other claimants are Brunei, Malaysia, Taiwan and Vietnam.

Security experts regard the islands, believed to sit atop reserves of oil and minerals, as a potential flashpoint.

The stand-off began Saturday afternoon while the Benguet was launching helicopter sorties for journalists into Mischief Reef, an area claimed by the Philippines.

There were 39 journalists on the ship. Manila protested angrily to China when it discovered in February that the Chinese had built structures on the reef.

Philippine officials say the metal structures on the reef could eventually become naval support facilities.

China had tried to get Manila

to halt the media visit to the islands, saying it would "internationalize" the issue.

President Fidel V. Ramos, however, ordered that the visit proceed.

The Philippine vessels were about 8 nautical miles north of Mischief Reef when the confrontation began Saturday.

General Tanaga led the first helicopter sortie. The two helicopters flew repeatedly over the Chinese structures, roaring as low as 30 feet (9 meters) over them.

The confrontation ended when the Benguet, having com-

pleted its mission of seven sorties, backed off to proceed to its next destination.

Throughout the incident, a Philippine Air Force plane gave the Benguet air cover, military officers said.

While the navy ship was steaming out of the area, two S-211 Italian-made trainer jets of the Philippine Air Force flew overhead.

"What is important is that we can do what we have to do because this is our territory," said General Tanaga.

"We were eyeball to eyeball," he added. "We did not blink."

Lola Flores, Spanish Singer, Dies at 72

New York Times Service

MADRID — Lola Flores, 72, one of Spain's most popular singers of this century and the star of numerous musical films of the 1950s and 1960s, died Tuesday at her home outside Madrid.

She died after a long illness that included a battle with breast cancer, her family said.

Known popularly as "Lola of Spain" and "The Pharoahness," after a role in one of her films, Miss Flores came to symbolize popular Flamenco and Spanish folklore, singing for generations of Spaniards and millions of fans in Latin America.

In a condolence telegram to her family, King Juan Carlos I and Queen Sofia said that with the death of Lola Flores, "Spain has lost one of the greatest artists of this century."

Born in 1923 in the southwestern Andalusian town of Jerez de la Frontera as Dolores Flores Ruiz, she began her singing career at the age of 10, singing in local bars and taverns.

She first jumped to national fame in the 1940s singing with the popular Flamenco singer Manolo Caracol and landed her first film contract at the age of 17. By the 1950s, she was filming one musical after another

that were hits in Spain and South America.

William E. Waller, 57, Newsman and Book Editor

William E. Waller, 57, a newspaper and textbook editor, died of prostate cancer Monday in Tucson, Arizona.

Mr. Waller, a native of Louisville, Kentucky, was a graduate of Yale University. He worked as a copy editor for newspapers in Chicago, Detroit and Tucson, as well as the international edition of The New York Times in Paris.

He later became a free-lance editor for publishing houses, specializing in scientific text-

books. Since 1980, he had spent his summers as a copy editor at the International Herald Tribune.

Christian Boehmer Anfinsen, 79, co-winner of the 1972 Nobel Prize in Chemistry, died of a heart attack Sunday in Pikesville, Maryland.

Gaston Plissonnier, 81, a former Communist Party Politburo member and underground Resistance leader in Nazi-occupied France, died Tuesday in Paris.

Jimmy Raney, 67, an influential postwar jazz guitarist, died of heart failure Wednesday in Louisville, Kentucky.

BOOKS

THE PRIEST: A Gothic Romance

By Thomas M. Disch. 303 pages. \$24. Alfred A. Knopf.

Reviewed by Lisa Tuttle

Perhaps the most notorious of the original Gothic novels is "The Monk" by M.G. Lewis, which is still shocking readers with its bad taste and blasphemy 200 years after its publication. By comparison, and in the context of what readers today are accustomed to, Thomas Disch's contemporary Gothic tale is sedate. Yes, there are rapes, tortures and murders here, but little is graphically described. Most of the violence takes place between the scenes or in the dark.

Unlike Lewis' improbably saintly 17th-century abbot, Disch's priest, Father Bryce, cannot blame his eventual downfall on any demons outside his own skin. He has been sexually abusing altar boys and underage runaways for years, unable to resist each new temptation. But now he is being blackmailed. Unable to work up the courage to kill himself, Father Bryce sees no alternative to giving in to his blackmailer's demands, which are extremely strange.

First, he has to read a badly written book by a former science-fiction writer who claims to have made some earth-shattering discoveries through past experiences of reliving past lives, the most significant being that of an Italian stonemason in

the Middle Ages who was imprisoned in France and tortured on suspicion of heresy. Next, the priest is ordered to have his chest tattooed with a picture of Satan.

During the ordeal of tattooing, Father Bryce passes out and wakes to find himself a bishop in France and in the Middle Ages. Meanwhile, his own body is inhabited by the consciousness of that bishop, Silvanus de Roquefort, who believes on the evidence of all his senses that he is now in hell and decides to make the best of it. When in hell, do as the demons do. He therefore indulges himself in rape and murder whenever opportunity presents itself.

It is the selfish, unchallenged power of the Catholic Church that is the true horror behind all the evils depicted in "The Priest." "Anyone given enough power must succumb to such temptations," says the torturer to Father Bryce.

Disch's last novel, "The M.D.: A Horror Story," also concerned moral choices and the potential for abuse inherent in any power, and it stands as one of the most literate and compelling horror novels of the decade.

"The Priest" suffers by comparison. It's a short book with many characters, most of whom are simply sketched in. Rather than taking on lives of their own, they tend to stand for ideas, as in an allegory. This may be deliberate — we're alerted by the subtitle not to expect a novel but a Gothic

romance — but it also makes for a less involving reading experience.

"The Priest" is didactic, occasionally preachy, but too clever and fast-moving to drag. It is an inventively angry and darkly humorous book with an edge to grind. Although it is deeply moral, the message it bears about the culpable hypocrisy of the Catholic Church should cause it to be as loudly and indignantly denounced — at least in certain quarters — as "The Monk" with its bleeding nun, dead babies and incestuous rape, ever was.

Lisa Tuttle is a novelist and short-story writer who wrote this review for the Washington Post.

BEST SELLERS

The New York Times			
This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on list are not necessarily consecutive.			
FICTION			
The Week	Last Week	Weeks on List	
1 THE RAINMAKER, by John Grisham	1	3	
2 LET IT BE: CALL YOU SWEETHEART, by Mary Higgins Clark	2	63	
3 THE CELESTINE PROPHECY, by James Redfield	1	7	
4 LADDER OF YEARS, by Anne Tyler	3	3	
5 POLITICALLY CORRECT BEDTIME STORIES, by James Finn Garner	4	47	
6 MOJO, by Jane Smiley	5	6	
7 BORDER MUSIC, by Robert James Waller	6	12	
8 A DOG'S LIFE, by Peter Mayle	8	6	
9 THE BRIDGES OF MADISON COUNTY, by Robert James Waller	9	144	
10 CHILDREN OF THE JEDI, by Barbara Hamish	7	3	
11 MUTANT MESSAGE UNDER, by Mario Morgan	10	30	
12 OUR GAME, by John le Carré	11	9	
13 BEAUTY FROM ASHES, by Eugenia Price	12	1	
14 THE GLASS LAKE, by Maeve Binchy	13	10	
15 PREMONITORIAL WOMAN, by Maya Angelou	15	8	
NONFICTION			
1 IN RETROSPECT, by Robert			
S. McNamara with Brian Van-DeMark	1	3	
2 THE HOT ZONE, by Richard Preston	2	31	
3 THE DEATH OF COMMON SENSE, by Phillip K. Howard	3	13	
4 SILENCE, by Carol Saline	4	20	
5 MIDNIGHT IN THE GARDEN OF GOOD AND EVIL, by John Bernz	5	62	
6 FROM BEGINNING TO END, by Robert Fulghum	6	4	
7 QUIVERS, by Robin Quivers	7	4	
8 MODEL, by Michael Gross	8	13	
9 BREAKING THE SURFACE, by Greg Louganis	9	8	
10 MY LUCKY STARS, by Shirley MacLaine	10	2	
11 THE DIARY OF A YOUNG GIRL, by Anne Frank	10	7	
12 IN SEARCH OF STONES, by Scott Peck	12	3	
13 A COUPLEGOOD, by Paul Reiser	11	36	
14 NO ORDINARY TIME, by Doris Kearns Goodwin	14	18	
15 ADVISE, HOW-TO AND MISCELLANEOUS			
1 MEN ARE FROM MARS, WOMEN ARE FROM VENUS, by John Gray	1	103	
2 THE SEVEN SPIRITUAL LAWS OF SUCCESS, by Deepak Chopra	1	8	
3 MARKS AND VENUS IN THE BEDROOM, by John Gray	3	5	
4 HOW TO ARGUE AND WIN EVERY TIME, by Gerry Spence	4	2	

BUSINESS DAILIES

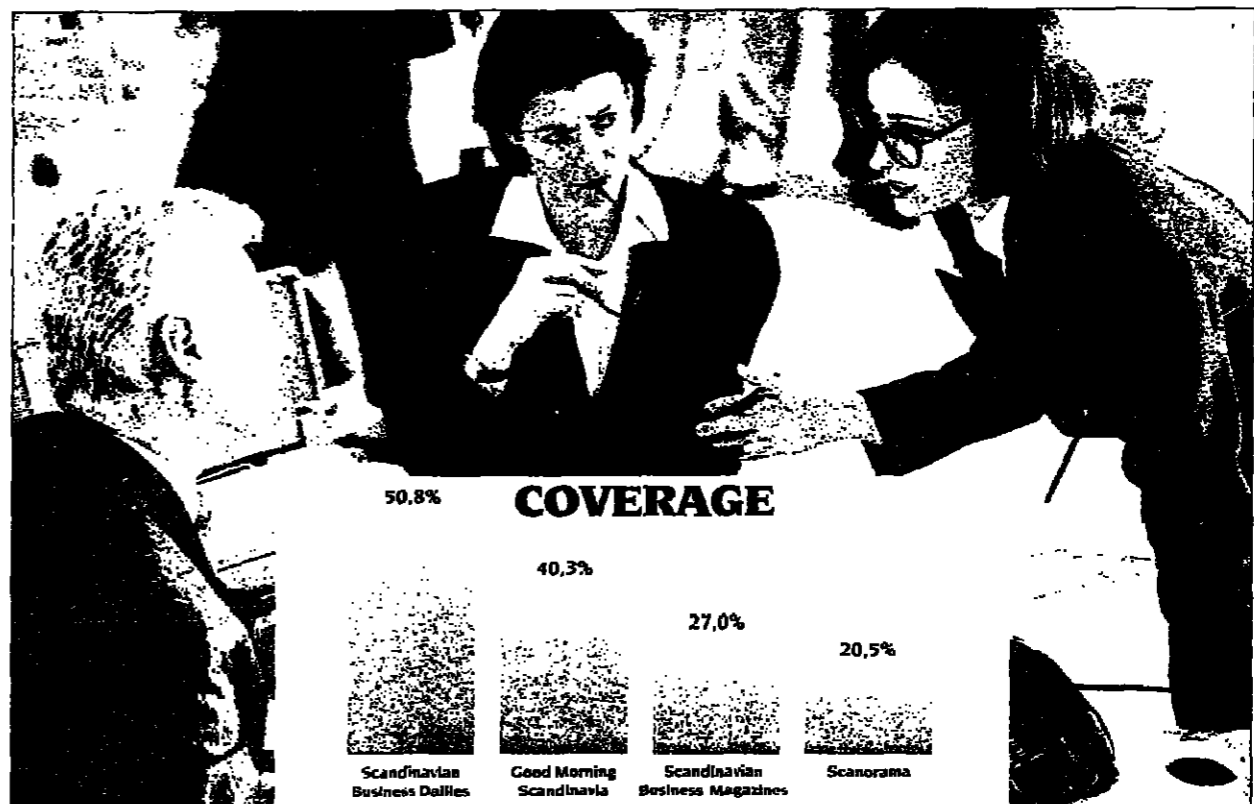
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EUROPE



Women seeking shelter on Tuesday as heavy fighting sent war-weary Sarajevo residents scurrying for cover. Chris Helgren/Reuters

SANCTIONS: In Appeal, Japan Will Cite Speed of Washington's Move

Continued from Page 1

international dispute settlement mechanisms.

"This is not the way to solve trade disputes," he said. "These measures, if implemented, would be contrary to U.S. obligations under WTO."

In Geneva, Renato Ruggiero, director-general of the WTO, called on the two countries to respect the organization's rules and said that the credibility of their commitment to the multilateral trading system was "at stake."

A final decision on whether to impose 100 percent tariffs on 13 separate Japanese luxury car imports, worth \$5.9 billion last year, will not be made until June 28, but Washington surprised Tokyo with its decision to backdate tariffs from May 20 should the sanctions ultimately be imposed.

In effect, the move is tantamount to the imposition of sanctions from Saturday, because vehicles that arrive after that date could be subject to 100 percent tariffs. With a top-of-the-line Toyota Lexus selling for \$52,000, the action creates immediate chaos, because importers will be taking a big risk if they accept delivery of vehicles already en route to the United States.

"The fact that you're going to impose de facto sanctions makes it less of a threat and more of an action," said Andrew Durrant, managing director of Samuels International, a Washington consultancy.

A Toyota Motor Corp. spokesman was

more blunt: "Whatever is already on the boat gets screwed, too."

An official at the Ministry of International Trade and Industry said, however, that the backdating tactic would serve to strengthen Japan's complaint to the World Trade Organization that unilateral sanctions are a violation of international trade rules.

"We'll be able to say clearly that the impact of the announcement is real," he said. "It's clear we can win at the WTO," he said, adding that Tokyo would lodge its complaint as soon as Wednesday.

The decision to backdate sanctions bolsters Washington's strategy to pressure Japan's automobile industry into making fresh pledges to renew and extend so-called voluntary plans made in 1992 on increased purchases of American car parts.

A refusal to make such pledges was the biggest stumbling block over the 20 months of negotiations aimed at improving American access to the Japanese auto market. The Japanese government and automakers reaffirmed their position Tuesday that it was impossible to accept such demands, which it said were tantamount to purchasing quotas.

Yoshifumi Tsuji, the president of Nissan Motor Co., said, "At Nissan, we have absolutely no intention of extending or revising our voluntary parts purchase plan under this unwarranted pressure from the United States."

"The U.S. government," said Masaharu

Tanaka, executive vice president of Toyota Motor Corp., "conducts its trade policy in a coercive manner completely beyond our comprehension. It's simply unacceptable. We hope the United States will drop the sanctions and let the WTO reaffirm the meaning of fair, international trade rules."

Some analysts, however, suspect that in the end the Japanese automakers will cave in to U.S. pressure rather than get bumped out of the American luxury car market.

The tariffs would effectively wipe out exports of luxury cars. For Japan's biggest carmaker, Toyota Motor Corp., luxury cars comprise 11 percent of the value of U.S. sales, said Peter Boardman, senior analyst at UBS Securities. For Nissan Motor, the second-biggest maker, the figure is 11 percent.

But with the yen having surged 15 percent against the dollar this year, eroding the competitiveness of Japanese exports, the segment remains one of the few in which Japanese carmakers are making profits.

"The impact will be huge," Mr. Boardman said.

Still, while a loss of sales would dent earnings, the damage would hardly disable the Japanese motor industry. North American sales of luxury vehicles comprise less than 2.2 percent of the value of total worldwide sales for all Japanese makers.

"The biggest impact," Mr. Boardman said, "could be on U.S. dealers, who might lose their jobs."

BOSNIA: Sarajevo Siege

Continued from Page 1

around Sarajevo," Mr. Akashi said.

While the United Nations looks unlikely to withdraw its peacekeeping forces from Bosnia in the near future, a report being sent by Mr. Akashi to New York for the Security Council's consideration is said to concede that the policy of declaring "safe areas" for civilians in Sarajevo and five other Bosnian towns has become untenable.

The United Nations may also start to emphasize the humanitarian aspects of its mission over purely military peacekeeping.

Though government forces started the shooting Tuesday, both sides expect the battle over Sarajevo to escalate this summer.

"Both sides were preparing for something," Mr. Ivankovic said. "We're saying both sides were equally to blame for this fighting."

There is an expectation that the Bosnian Army could soon mount an offensive to break the siege of Sarajevo, which began three years ago. Brigadier General Kifit Bilajac told Reuters on Monday that Sarajevo "still has strength and means in reserve and these should be put into deblocking the city."

Meanwhile, Bosnian Serbian forces have increased pressure on the city with shelling and sniping. They have also forced a suspension in flights delivering badly needed supplies of food.

Croatia Vows Pullout

In Bonn, Foreign Minister Klaus Kinkel of Germany said that President Franjo Tudjman of Croatia had promised that his troops inside UN-patrolled buffer zones in Croatia would withdraw by 11 P.M. Reuters reported.

The UN Security Council called last week for Croatian troops to leave UN buffer zones after a successful offensive on May 1 against rebel Serbs in Western Slavonia, east of Zagreb.

In The Hague, a UN war crimes tribunal for former Yugoslavia agreed to take over genocide and other war crimes accusations against Bosnian Serbian leaders for possible trial.

Russia Pummels Chechen Positions

Continued from Page 1

GROZNY, Russia — Russian forces blasted rebel Chechen positions Tuesday, and fire engulfed a gas works on the fringes of Grozny, the shattered capital of the breakaway region.

Thick smoke filled the air around two sections of the plant on the western edge of Grozny, and residents said the factory exploded overnight. It was not clear what had caused the blast.

Residents in Urus-Martan, 20 kilometers (12 miles) south of Grozny, said they heard what sounded like an air raid from the direction of Vedeno, about 10 kilometers farther south.

Russian planes have bombed southern villages and mountains, apparently in an effort to prevent the rebels from setting up a network of mountain bases to launch a summer campaign.

Recent raids have hit the village of Serzhent-Yurt in the foothills. The Russians struck the village again Tuesday with heavy artillery and multiple-launch Grad rockets.

Meanwhile, the brother of a missing American relief expert said Russian military authorities had been blocking efforts to determine whether a body found in Chechnya was that of Frederick C. Cuny.

Chris Cuny, who said he thought there was "a 50-50 chance" that the body was that of his brother, said Western searchers had been unable to get into Chechnya to bring the body out, despite Russian assurances.

(Reuters, AP)

Ex-Mayor of Nice Gets Prison Term

Continued from Page 1

GRENOBLE, France — Jacques Médecin, the former mayor of Nice, was sentenced to two years in prison Tuesday for swindling the opera company in Nice in the 1980s.

A court in Grenoble also fined Mr. Médecin, a rightist known as "King Jacques" during his 24 years in office, 200,000 francs (\$40,000) on charges of breach of trust. He was also sentenced to five years' deprivation of civic rights.

Prosecutors accused Mr. Médecin of siphoning more than 2 million francs from the Nice Opera association's 50 million franc annual subsidy and paying the cash to two foreign front firms, supposedly to recruit singers who never performed in Nice.

Mr. Médecin, 67, was extradited from Uruguay last year to face several corruption counts and had been in jail for the last 17 months.

The verdict was one of a series of anti-corruption court rulings falling in the days before President-elect Jacques Chirac takes office on Wednesday.

The former mayor, who once boasted he would make Nice the Las Vegas of the French Riviera, was sentenced in absentia in 1992 to a year in jail for maladministration. The director of the Nice Opera at the time, Lucien Salles, was sentenced to 18 months, with six months suspended, and fined 100,000 francs.

(Reuters, AP)

PROTEST: Father of China's Bomb Urges Tolerance

Continued from Page 1

Sciences, including that "of my respected teacher," Mr. Wang.

In a telephone interview, Mr. Xu said separate letters to Mr. Jiang and Mr. Qiao were mailed Monday. Copies were being distributed to news organizations this week.

Mr. Xu said party officials had apparently become aware of preparations to issue the document as it was circulating for signatures. Mr. Xu said he received a summons on Friday from the Communist Party secretary of his research institute.

"He asked me not to engage in any activities, and not to do anything that will affect social stability," Mr. Xu said. "I told him what we're doing is good for social stability."

The new petition, following several others that were presented to the People's Congress in March, indicates that a significant number of Chinese intellectuals are seeking to press party leaders into opening a national debate on political re-

form as the country prepares for the death of the paramount leader, Deng Xiaoping.

The timing is important because Mr. Deng, 90, appears to have lost the ability to speak on policy matters as his health declines. He has not been seen in public since February 1994. For the last six years, his adamant opposition has prevented the re-evaluation of the Tiananmen verdict, which led to loss of jobs, diplomas and freedom for thousands of Chinese.

The petition follows an unusually blunt speech on Saturday by the U.S. ambassador to China, J. Stapleton Roy, who admonished senior Chinese officials to move more quickly toward establishing the rule of law in China "as the most effective way of maintaining stability and social order without resort to repression."

Monday's petition is pegged to a Dec. 20, 1993, resolution of the United Nations General Assembly, which proclaimed that 1995—the 50th anniversary

of the founding of the United Nations—should be the "United Nations Year of Tolerance."

"Our country is a founding member of the United Nations," the petition says. "Thus it should conscientiously implement this resolution, so that this spirit of tolerance, a spirit with which our country is relatively unfamiliar, may take root and flourish."

The signers asked for a re-evaluation of the Tiananmen tragedy "according to the spirit of seeking truth from facts, an aphorism made famous by Mr. Deng, who emphasized pragmatic policies to unify the Chinese behind economic reforms. The appeal appeared to be timed to coincide with the sixth anniversary of the Tiananmen massacre next month.

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KUWAIT: Embezzlement Case Tests Limits of Democratic Reforms

Continued from Page 1

Islamic fundamentalist vote in Parliament "because they will do as their husbands tell them," one minister said.

The recent National Assembly session focused on constitutional issues regarding the legislature's authority to reject decrees issued by the emir while Parliament was dissolved and a dispute with the government over what court system may try the case of Sheikh Ali al Khalifa al Athbi as Sabah, the former finance and oil minister. He is accused of embezzlement and kickbacks totaling \$100 million or more.

"The whole issue is political, meant for the protection of thieves who broke all records for theft," said a legislator, Yacoub Hayat.

"True government is about live conscience, intelligent minds, pure hearts and not about inoculated constitutions and retranslated laws," another shouted.

"If that happens, courage will retreat, justice will bend its head, darkness will loom, and the devils will sing," he added.

Watching the debate were legislators from Pakistan and other visitors, who were enthralled as the debate grew louder, with florid poetic references to ancient Arab examples of deception and betrayal and explosions of laughter.

Two legislators blew kisses to each other, and Kuwaiti jour-

nalists called in updates to their offices on cellular phones.

"We know this is still a newborn democracy that needs nurturing, but it is a newborn that has nails," a Shiite legislator, Adnan Abdel Samad, said recently after a meeting with constituents.

While the legislature presses for prosecution in the case of the former oil minister, investigators are also probing suspected fraud and mismanagement losses of up to \$5 billion by the Kuwait Investment Office, the agency responsible for investing the country's oil revenue.

A sensitive issue is the re-scheduling of \$20 billion in debts dating back to the 1982 crash of the Kuwait stock market. Most of it is owed by Kuwait's elite, including a top government official and a member of the Sabah family who has debts of \$230 million.

"The crisis is about the distribution of wealth in Kuwait," said a local journalist who was listening to the debate.

At stake is Kuwait's economic future and the prospects for its continuation as a welfare state, in which everyone gets free medical care and pays no taxes. The fortunes of the Kuwait Investment Office have dwindled from \$110 billion to \$35 billion, partly as a result of the cost of the war against Iraq. References were also made in the legislative debate to Kuwait's history of having two parliaments dissolved by the ruler — "a dangling sword"

over the legislators' heads, as some call it.

In 1976, Parliament was suspended to avert fallout from the Lebanese civil war. In 1986, it was dissolved again by the emir after it had subjected the minister of justice, a member of the Sabah family, to questioning and a motion of no-confidence that led to his resignation.

Although the constitution stipulates that elections are to be held two months after dissolution of Parliament, elections were not held after the 1986 dissolution until 1992.

This issue is particularly embarrassing for Kuwait. The emir had agreed to new elections under pressure from the United States and to allay the wrath of Kuwaitis against government officials' flight from the country and their luxurious exile during the eight-month Iraqi occupation.

Now, many Kuwaitis feel that their country actually was saved by the exile of the ruling family, which then lobbied for American involvement and the commitment of U.S. troops.

"In this area," said a Kuwaiti political scientist, Shafiq Ghabra, "you do not have fully developed states, but rather authorities. State-building is a new concept. Kuwait is still in the state-building stage after liberation. This is why democratization is not taking off the way it should."

"If you democratize before

state-building, you may have an Algerian situation, and you will go to pieces," he said, referring to the political chaos in Algeria, where Islamic militants are fighting to overthrow a military-backed government formed to keep them from taking control of the country through elections.

Legislators, citizens and foreign diplomats interviewed spoke of a checkered alliance between the rulers and fundamentalist Muslim groups, who bring up polemical issues that critics say, take up time and divert attention from the debate about corruption.

Examples of the issues that the National Assembly has had to grapple with this session include efforts to make Islamic law the only source of law and to segregate schools by sex. On these and other such issues, the fundamentalists were only narrowly defeated.

Mr. Samad, the Shiite legislator, recently tipped the vote in favor of Education Minister Ahmed Rubai, a secularist, when fundamentalists tried to remove him from office for allegedly squandering funds and removing anti-Jewish references from textbooks.

"The fundamentalists know that they cannot change the political system and that they have to come to terms and strike a deal with the rulers to use their authority to impose their will," said a Kuwaiti sociologist, Saadoun Naqib.

"There are shortages of things in the Iraqi market, but it doesn't affect me," said a vendor as he squatted beside his display of electrical fixtures and Spanish-made light bulbs. "Everything is available," although very expensive, he said.

Computers, too, can be found without difficulty. One dealer offered a brand-new, IBM-compatible desktop computer equipped with a high-speed, 486 microprocessor and Super VGA color monitor for about \$1,300. The dealer said he could assemble it in a day from spare parts, then produced an unopened package containing a Seagate hard drive with an August 1994 manufacture date.

POROUS: Smuggling Fills the Markets of Baghdad and Helps Saddam

Continued from Page 1

for President Saddam Hussein, cushioning his principal backers in the military and elsewhere from the worst effects of the sanctions and, by some accounts, contributing to a number of private fortunes.

"All this unofficial trade has boomed," said a Baghdad-based diplomat. "Sanctions are crumbling."

That is surely an exaggeration. No trade embargo is airtight, and by all accounts the sanctions regime has been punishingly effective. The country's industrial capacity has been shattered. Earlier this month, the UN World Food Program warned that critical shortages of food and medicine threat-

ened the lives of up to a million Iraqis.

The Security Council has resisted efforts by two of its members, France and Russia, to ease the sanctions, which are aimed in part at forcing Iraq to reveal past efforts to develop nuclear, chemical and biological weapons.

The United States has argued for continuing the embargo, citing gaps in the inventory of biological material provided by Iraq.

The sanctions have hit hardest among salaried professionals and government employees, whose average monthly paychecks have declined in value to about \$4. Desperation has bred corruption: At the government press office, translators have

been known to solicit cash from visiting reporters or to inform them of an obligation to buy them food.

Beggars have spread throughout central Baghdad, many of them children.

But a shopping tour of Baghdad shows another side of the story. While most shopping malls are closed and many storefronts are shuttered, the souks and sidewalk markets seem surprisingly well stocked with food and consumer goods, especially textiles. The supply of imports has surged in recent months as the government has eased restrictions aimed at stemming the flow of hard currency abroad, according to a European diplomat.

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Herald Tribune THE WORLD'S DAILY NEWSPAPER

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From Ashes in Kashmir

Whether it was Muslim terrorists or Indian troops who lit the fire, the burning of Kashmir's most sacred Muslim shrine last Thursday brings New Delhi's policies toward the rebellious province to a dangerous dead end. Neither military repression nor the promise of elections has succeeded in containing the violence that has left at least 20,000 people dead since 1993.

New approaches are needed, as the government itself seems to recognize in sending two top cabinet ministers on an urgent fact-finding mission to Kashmir. Efforts to begin good-faith negotiations with local opposition leaders and with Pakistan should be part of any new formula. So should a credible investigation of the fire itself.

It is not clear who actually ignited the two blazes that destroyed the town of Char-i-Sharif and its 15th century shrine of Sheikh Nooruddin Wali, Kashmir's patron saint. Local Muslim leaders blame the Indian troops who had besieged the town for 10 weeks. New Delhi blames foreign Muslim terrorists infiltrated into the town with Pakistan's connivance. Either claim is plausible. Pakistan has not been vigilant about curbing

terrorist infiltration. Indian troops have engaged in acts of brutality.

The basic approach to Kashmir followed by Prime Minister P.V. Narasimha Rao and his predecessors needs to be revised. Through five years of unrest, New Delhi has dismissed Kashmir's mass-based separatist movement as a creation of Pakistan and sought to repress it with military force. More recently, Mr. Rao has also tried to develop a political alternative to separatism based on granting Kashmir expanded autonomy within India. To that end, he has been planning to hold state elections there as soon as next month. But he has yet to make public his autonomy proposals. He has failed to establish the political groundwork in Kashmir for peaceful, credible elections and has not built support among the main political forces in New Delhi for eventual acceptance of autonomy.

New Delhi will be reluctant to change its approach in the face of what it claims to be externally sponsored terrorism. But the main goal now must be halting the spiral of murder and mayhem and quickly restoring civil peace.

—THE NEW YORK TIMES.

The Budget, Seriously

Democratic complaints about Republican budget plans will continue to have a hollow and unconvincing ring until the Democrats begin to come up with specific alternatives of their own. Until then, they will merely seem to be defending the present spending pattern, with its succession of \$200 billion-a-year deficits reaching as far as the eye can see, that President Bill Clinton projected in the budget he sent to Congress last February. That weak and directionless budget has given the incoming Republican majorities in Congress an opening that they have seized with joy.

Eminent Democrats denounce the Republican proposals for spending cuts as mean-spirited and wrong. But do the Democrats have anything better to offer? Mr. Clinton cannot have forgotten that he himself ran, successfully, against those big budget deficits three years ago. They are no more popular now than then. People sense that they are doing deep damage to the economy, and beyond that, the deficits have become a powerful symbol of political malpractice. The Republicans are right to try to push the budget to a balance in a contained period of time, and the White House makes a terrible mistake in fighting over the issue of whether, rather than how, to do it.

Regarding the questions of how, there are plenty of opportunities for Democrats to provide better alternatives. For example, the Republican proposal to turn

Medicaid into block grants — resulting inevitably in reductions in medical care for poor people, most of whom are children, or elderly or the totally disabled — is a terrible idea. Even many conservative voters would react with dismay to the consequences of this kind of squeeze if it were actually put into effect. Some of the Democratic tacticians think it is clever to stand aside and wait for the Republicans to get themselves into trouble. But it would be more decent, and would avoid much suffering, if Democrats could intervene now with better solutions. The administration says that health care costs can be held down humanely only by a broad program of reform. That is doubtless true. What does it have in mind? Or is everything on hold until after the next election?

Mr. Clinton needs to think ahead to the end of the year and the resolution of this budget. One possibility is that the Democrats succeed in generating enough fear and opposition to spending cuts that a stalemate results and both parties, wounded, abandon the goal of a balanced budget altogether. That would be a real misfortune for the country. Another possibility is that the two parties begin to work together for a purpose that serves the national interest. That is much harder to accomplish. But it could happen if the Democratic politicians would stop playing it safe, and the president would lead on this issue.

—THE WASHINGTON POST.

Bravo New Zealand

Team New Zealand was favored to win the America's Cup this month in its jet black sloop, Black Magic 1. But no one foresaw a blowout — five straight victories for yachting's grand prize. Congratulations, Kiwis!

Dennis Conner, the American skipper, sailed well to reach the finals, but his magic was not enough at the end. He holds the record for winning the cup, four times, but he is also the only American ever to lose it, now twice.

His past bouts with New Zealand gave this year's race-off an extra edge. In 1986 he said they cheated, and in 1988, when both sides violated tradition if not the rules, he beat them in a speedy catamaran. There is no one New Zealand would rather defeat than Dennis Conner.

Beat them they did, with a faster boat and a smarter seasoned crew. Doug Peterson, Californian co-designer of Black Magic, said it was "ridiculously fast"

from the beginning, and months of fine-tuning made it faster.

The team was led by Peter Blake, who set the record last year for sailing around the world in 74 days and 22 hours. Black Magic's crew has raced the boat together since late last year, and lost just one challenger match. Mr. Conner's crew had only five days to adjust to Young America, having won the U.S. trials in another, slower boat.

Yacht racers are saying that while Britannia rules the waves, America waives the rules. This year's rules, written by American yachtsmen, let Mr. Conner switch boats, but not the challenger. Mr. Blake promises to make the rules "fair for both groups" before the next races off Auckland in 1999-2000, and has already introduced changes. His feeling for fairness is another good reason to hail the Kiwi victory.

—THE NEW YORK TIMES.

Other Comment

Violence and Disease in Africa

Black Africa seems to be the victim of a curse from the heavens. Even as a cholera epidemic has been reported in Mali, where it has already claimed tens of victims, the Ebola virus continues to strike at the heart of Zaire. In its latest communiqué, the World Health Organization has put the death toll at 77.

Whatever the final number, the epidemic of hemorrhagic fever that has the Western press so excited has nothing in common with the ravages AIDS has caused on the continent. Several hundred thousand people have already been felled by the virus. And a UN study says the epidemic could cause 11 million deaths from 1990 to 2005. In 10 countries, life expectancy at birth — a key indicator of social progress — is expected to decline

by the end of the century. In five other countries it will stagnate.

Behind the epidemics lies a daily violence for which only man's murderous madness is responsible. Fed by civil wars, intercommunal tensions and rivalries between warlords, this violence rarely draws the attention of the international press. Indifference prevails even as the list of anonymous victims grows.

In Sierra Leone, an ambush on Sunday killed 20 people. The day before, in neighboring Liberia, 22 armed men were killed: the civil war there has caused more than 150,000 deaths. In Nigeria, at least 18 people died in clashes between communal rivals. In Somalia, more than 100 refugees were listed as missing after their ship was attacked by pirates. For Africa, this was an ordinary beginning for a week.

—Le Monde (Paris).

South China Sea: Build Security in a Growth Area

By Julius Caesar Parrenas

MANILA — Chinese military activities in the Spratly Islands of the South China Sea have fueled concerns about stability in the Asia-Pacific region. But the occupation structures built by China on Mischief Reef and other unoccupied islets claimed by the Philippines do not necessarily signal significant change in Beijing's strategy since it started expanding its presence and putting up markers in the disputed area in the 1980s.

In fact, China is a latecomer to the Spratlys. The other major claimants — Taiwan, Vietnam, Malaysia and the Philippines — had fortified the largest islands in the area before Chinese soldiers began occupying remaining smaller reefs and atolls. The fortifications and occupation structures are used by the countries that built them to back their claims through actual presence, rather than to directly threaten each other.

The situation in the South China Sea is unlikely to explode into war soon. But it could in future if nothing is done to defuse the situation in the next few years. None of the claimants appears anxious to resolve the issue of sovereignty just now, since they are still trying to strengthen their respective bargaining positions. China is waiting for the day when it has a credible blue-water navy and more effective long-range combat aircraft to bridge the gap of close to a thousand kilometers between the Spratlys and its bases on Hainan Island.

The other claimants are also modernizing military forces that could be used to defend positions in the Spratlys. Vietnam, Malaysia and the Philippines hope to benefit from collective solidarity in the Association of South East Asian Nations, which Vietnam will join in July, as well as from increasing involvement of major powers, such as the United States and Japan, to protect freedom of navigation and block Chinese expansion.

China's future actions will be crucial. Its claims, like those of Taiwan, encompass virtually the whole of the South China Sea and the major sea-lanes through it. Other claims are more limited.

China is the only claimant which is a major military power, and its assertion of control over such a strategically important area is likely to provoke reactions from other big powers. Any move to enforce China's claim to the South China Sea will be regarded by everybody else as a fundamental change in the status quo.

Beijing would certainly like full control over the South China Sea. But if it carefully weighs the risks and costs of conflict against the benefits of continued peace, its more realistic option is to eventually settle for less. Its continued buildup of its air and naval forces, along with expansion of its presence in the Spratlys, has already rekindled apprehensions in the region about its intentions.

However, China's actions reflect concerns which it considers vital to its survival as an independent state. These concerns appear to have more to do with security than economics (control over oil, gas and fish resources). Beijing, after all, has agreed to share the resources with other claimants through joint ventures. But it has refused to share sovereignty.

It would be wise for China's neighbors to also look at the issue from a Chinese

perspective, rather than jump to the conclusion that its intentions are purely aggressive. In this way, mutually acceptable solutions that address the most basic concerns of all parties can be found.

Seen from Beijing, the South China Sea is a gaping hole in national defenses through which China has been and can still be threatened. In the 19th century, British and French fleets dominated these waters from bases in Southeast Asia. The Americans did likewise from Subic Bay in the Philippines during the Cold War, as did the Soviet Union from Cam Ranh Bay in Vietnam in the 1980s. It seems that one of Beijing's paramount concerns today is to make its southern maritime flank secure.

China's security interests may hold the key to defusing the Spratly dispute. Beijing must realize that its long-term security goal cannot be achieved by transforming the South China Sea into a Chinese lake guarded by its own naval power. At the same time, its neighbors

must take into account its concerns about possible threats coming from the south.

ASEAN — which links Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand — can play a central role in forging a mutually beneficial arrangement. Cautious Chinese acceptance of ASEAN and its enlargement with the entry of Vietnam in July shows that Beijing considers the group more as a future partner than as a potential enemy.

ASEAN and China should start to deepen their relations now and lay the foundations of a strong partnership based on respect for each other's vital security interests in the South China Sea. To help allay Chinese concerns, ASEAN should continue efforts to help build a framework of Asia-Pacific cooperation that minimizes suspicions and threat perceptions among countries in the region.

By expanding mutually beneficial trade and investment, ASEAN, China and Taiwan can form a ring of economic growth and cooperation around the South China Sea. U.S., Japanese and other foreign investment will enhance the stake of various governments in the

peace and stability of the area. That in turn will reassure China that its security will not be threatened from there.

It will also give China and other countries a stronger interest in preserving freedom of navigation in the region. The issue of sovereignty will probably not be resolved in the immediate future. When and how it is resolved will depend very much on whether threat perceptions or the benefits of cooperation and trust are uppermost in the scales. The more there is of the latter, the greater is the chance of a peaceful settlement.

If a growth area can be created in and around the South China Sea in which goods, services, capital, people and information flow freely, then the issue of sovereignty may no longer be worth the trouble of converting marketplaces into battlefields.

The writer is director for international and strategic studies at the Center for Research and Communication in Manila and a trustee of the Philippine Council for Foreign Relations. He contributed this comment to the International Herald Tribune.

Big China Needs to Behave as a Good Neighbor

By Daljit Singh

SINGAPORE — Because of its size, proximity and potential power, China can easily arouse unease among many of its Southeast Asian neighbors. Such apprehension is often compounded by latent resentment in the region at the dominant role of local ethnic Chinese in commerce and memories of Beijing's support for revolutionary communism in these countries during the Cold War.

China needs to act as a model good neighbor to allay suspicions and build confidence. Yet to many Southeast Asians it seems to be doing the opposite in the South China Sea. The recent incidents involving China and the Philippines in the vicinity of Mischief Reef in the disputed Spratly Islands are the latest manifestation of this.

Even though some other claimants to the Spratlys have been consolidating their presence, the spectacle of a permanent member of the United Nations Security Council and a potential superpower planting territorial markers and building occupation structures on reefs in new areas also claimed by the Philippines, which is a far smaller and weaker country than China, is a troubling one.

Beijing has said it does not want to deal with the South China Sea dispute in the 18-nation ASEAN Regional Forum set up to handle just this kind of issue. It prefers instead to deal one by one with its much smaller neighbors. Such behavior makes it difficult to accept at face value China's ritual assurances that its intentions in the region are benign.

There is much concern in Southeast Asia about the extent of Beijing's claims to the South China Sea itself, as distinct from the Spratlys and other disputed groups of islands and reefs. Do the Chinese maps showing a broken line encompassing much of the South China Sea define the country's territorial waters, as many believe? This tongue-shaped claim,

based on some vague historical consideration, is baffling to Southeast Asians.

Beijing's claim is also ominous because it overlaps territorial claims, exclusive economic zones and continental shelves of Southeast Asian states. If accepted as valid, it would turn much of the South China Sea, through which vital trade routes pass, into China's territorial waters and bring the maritime boundaries of China into the heart of Southeast Asia.

The motives behind Beijing's claim are unclear. Some observers point to the resources of the sea and seabed. On the threshold of the 21st century, a quest for territory to obtain resources seems a singularly old-fashioned route to economic power. Resource-poor countries like Japan, South Korea and Singapore have shown that modern economic strength comes from skills, organization and technology combined with the ability to trade.

Another motive sometimes ascribed to China's actions is strategic. Does Beijing want to assert control of the South China Sea as a lever to attain strategic dominance in Southeast Asia? If so, both the means and the end are likely to be contested by other major powers who will view them as cutting across their vital interests. Surely China must know this.

Or is it engaged in a preemptive move to prevent some potential rival from seeking to dominate Southeast Asia in future, thereby threatening China's southern flanks? But a quest for security which produces insecurity for others is likely to be counterproductive and invite the very situation it was intended to prevent.

Much of East Asia is at peace after many decades of conflict and tension. Most countries in the region, including China, are busy with economic development and modernization. China has a

unique historic opportunity to become a modern prosperous great power, something which has eluded it for a century.

But it needs a peaceful and secure environment and the cooperation of the outside world to achieve this status. In the right conditions, China will be a mighty economic and military force in a few decades. Influence in Asia will then come naturally. It will be all the greater if China is also trusted and respected as a benign neighbor.

For the first time in more than a century, China is free of external domination or threat. In the past two decades it has come a considerable way in reintegrating itself with the outside world. But its reflexes and psychology are sometimes still those of a country beset by a hostile world. China has to shed the baggage of history and come to terms with the realities of a modern, highly interdependent international community.

Much is now being done to educate China, but clearly it will take time for habits of thinking to change. The question is whether, before that happens, the region will spin into a vicious cycle of suspicion, tensions, declining economic cooperation and arms races.

The dangers in the South China Sea cannot be ignored. All parties to the disputes there should work toward a solution that accords with international rules and keeps the sea open to navigation and commerce.

Beijing's responsibility is clearly greater than that of the other parties. It is the only big power directly involved, it has far-reaching claims in the area, and it is a permanent member of the United Nations Security Council.

The writer, a fellow of the Institute of Southeast Asian Studies in Singapore, contributed this comment to the International Herald Tribune.

Nuclear Iran: A Time to Ask Who America's Allies Are, and When

By A. M. Rosenthal

NEW YORK — For America, the purpose and test of power is the ability to get things done that protect its security and interests or ward off dangers to them. In the use of power — economic, political or military — America can act alone or with allies.

What is an ally? Who are America's? And when? Full time? Or at times, now and then?

At a time when Americans are increasingly edgy about using military power, will America use its economic might to protect its security? Will America's allies help?

If not, is America willing to use that economic power to force its allies, plus Russia or China, to respect its security and interests — or at least not interfere with

them? If not, is the United States still a superpower, or is it playing expensive games of self-delusion?

The questions rise out of Iran's plans to produce nuclear power that could be used for nuclear weaponry. The United States believes that making Iran an economic outcast would stop Tehran. But Russia and China keep selling Iran the technology, materials and specialists of nuclear potential. Western Europe acts as if economic pressure against a terrorist state were an idea indicative beyond the point of obscenity.

Iran now says it is not building a nuclear plant. It plans to build 10 over the next two de-

cades. Ten — that is not simply a number. It is a strategy, defensive and offensive.

In 1981, Israel knocked out Iraq's nuclear weapon drive by a surprise strike on one plant. Iran's strategy scatters plants around the country, making a preemptive strike virtually impossible.

U.S. experts say Iran will be capable of producing material for nuclear weapons in three to five years. And Kenneth Timmerman, the enormously knowledgeable arms expert, reports in The Washington Times that for six years Iran has built stockpiles of uranium and other weapons-grade material, unguarded and unsuspected.

A nuclear Iran would be a threat to the Gulf states, Israel and Turkey and every other object on its hate list, headed of course by the United States. Would Iran supply nuclear weapons to its protégé terrorist groups? The mere possibility would hugely increase their power.

President Bill Clinton did what his predecessors did not: He ordered an embargo on American trade with Iran. That removed Iran from the American market, and a burden of hypocrisy from the United States.

But Germany, Japan, Italy, France and other U.S. allies that have been selling high-technology tools, pesticides or other products so useful in modern war told Mr. Clinton to take his embargo and run along. Communist China and North Korea have not been that courteous. They just send more material, missiles and specialists to Iran.

In Moscow, President Boris Yeltsin was appreciative of Mr. Clinton's visit — but not enough to cancel Russia's deal to build a nuclear plant in Iran, the centerpiece of the new Iranian network.

Having cut off its own trade, the United States can and should now let its allies, plus Russia and China, know what it will do to persuade them to help prevent a nuclear Iran.

Next month at a meeting in Halifax of major industrial na-

tions, including Russia, the United States will try again to convince them to join in economic measures against Iran. They should also be told that if Mr. Clinton fails, either he or Congress will bar imports into the United States of companies that do business with Iran — as formally proposed by Senator Alfonse D'Amato, Representative Peter King and other legislators.

Europe would be shocked. They don't believe Mr. Clinton has it in him. Even Beijing might be less haughty. The companies peddling equipment and specialists to Iran are part of the economic empire of the Chinese army, which provides a superb cash flow to the Politburo.

If Mr. Yeltsin turns the United States down again, Washington will have to choose between the likelihood of making more Russian nationalists mad at him and the certainty of making Iran nuclear. Closing U.S. ports to imports of Russian companies and agencies that build Iran's nuclear capability might work. If not — then suspend American aid. Anything else would turn the United States from Mr. Yeltsin's friend, to his hostage.

The goal is to block Iranian nuclear power. But there is a bonus — getting some clear answers to the questions in the opening paragraphs of this column.

The New York Times.

Rain Forest Doesn't Have to Be Felled

By Nigel Sizer

WASHINGTON — Large stretches of tropical rain forest will be wiped out if Asian timber barons succeed in cutting billion-dollar deals with impoverished Suriname and Guyana.

Under contracts drafted with Asian investors, the two countries would essentially give away their forests, sacrificing a vast productive resource.

Far more than money is at stake. These ancient forests are home to tens of thousands of indigenous people and to a wealth of tropical species.

Selling off forests promises Suriname and Guyana quick relief from economic calamity. Suriname is sinking under an annual inflation rate of more than 500 percent. Guyana has one of the world's highest per capita foreign debts.

To log a quarter of Suriname's terrain, investors including Berjaya of Malaysia, Surt Atlantic and MUSA of Indonesia and two Chinese companies are offering investments that total about \$500 million, almost equal to Suriname's gross national product.

Tropical rain forests offer timber magnates a quick one-time cash bonanza.

As Asian forests are depleted and timber prices rise, major exporters like Indonesia and Malaysia are getting tough with their own producers — enforcing long-ignored laws, raising

taxes, banning raw-log exports. Suriname and Guyana are obvious targets for foreign companies eager to find a new supply.

The battle over Suriname's forests has wide implications. Housing the vast majority of the world's species, tropical forests underpin future medical and agricultural advances. They are also critical to the earth's water, carbon and oxygen cycles.

A team of international forestry experts has analyzed the proposed Suriname contracts. Close inspection reveals no bonanzas. Most of Suriname's income would flow from a corporate tax, which the companies could easily evade. Suriname would be likely to raise only a quarter of potential revenues at best, and it might end up a net loser once costs of insuring compliance were factored in.

There is reason for hope. Guyana's government, along with Britain, Germany and the World Bank, has negotiated a package of assistance on the condition that no new major concessions agreements be signed.

Meanwhile, Enrique Iglesias, president of the Inter-American Development Bank, is leading efforts to help Suriname survive its immediate economic woes and seek the enduring gains that careful use of its tropical forests

would confer. Mr. Iglesias is trying to work out a win-win agreement with the president of Suriname, Ronald Venetiaan.

The signing of the contracts would be postponed for at least three years if the country's ailing economy receives around \$5 million a year in cash for three years to build institutions, train foresters and develop commercial alternatives such as nature-based tourism.

This relatively small sum would yield an excellent return if it bought time for a permanent solution, helped a struggling government protect its vast and ancient rain forest and ensured the survival of unique cultures. More than 10,000 Amerindians and other traditional tribal peoples would be spared the indignity of seeing their ancestral home overrun.

International aid could relieve both countries of the need to trade their forest assets for quick cash and lasting disaster.

The United States is the largest shareholder in the Inter-American Development Bank. By supporting the bank's efforts and encouraging Canada, Japan, the Netherlands and others to chip in, Washington could help stop cut-and-run logging.

The writer, an associate at the World Resources Institute, contributed this comment to The New York Times.

1895: Boastful General

TIENTSIN — General Wu-Ta-Cheng has been degraded, but retains his governorship. Wu-Ta-Cheng is the same man who memorialized the throne last summer for leave to invade Japan at the head of two thousand Hunan braves. Considering how feeble have been Wu-Ta-Cheng's performances in Manchuria with two hundred thousand men, it must be admitted that his boast was premature, to say the least. The Chinese troops never were so well equipped and never fought so badly as in this war.

1920: Brief Soviet Reign

BERLIN — A band of fifty men and boys yesterday [May 15] proclaimed a Soviet Republic at Sangerhausen, in the Prussian province of Saxony, robbed the banks and the city treasury of

more than 500,000 marks, requisitioned a quantity of clothing, and rode away in stolen autos. Their reign lasted a few hours. The gang was composed of members of the Workers' and Communist Party of Sangerhausen, and Halle, a nearby town. Many of them are not yet of voting age.

1945: Atlantic Hazards

LONDON — For the next eight months at least, travel to Europe by air will be much safer than travel by sea, as it is expected to take a year and a half to clear the waters around the coasts of mines. The mine-sweeping task in the North Sea and in the Channel is expected to provide as great a problem as that in the Mediterranean, where work has been going on since the capitulation of Italy, eighteen months ago and has not been completed yet.



International Herald Tribune

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OPINION/LETTERS

Help the World's Women — Development Will Follow

By Hillary Rodham Clinton

Mrs. Clinton traveled through South Asia from March 24 to April 6.

WASHINGTON — The Women's Bank is a one-room building in Ahmedabad, a textile center in western India. The teller's counter is an old kitchen table covered with cloth. Bank clerks record all transactions by hand, on yellowed sheets.

When I visited, I saw poor women who had walked 12 to 15 hours from their villages to take out loans — some as small as \$1 — to invest in dairy cows, plows or goods that could be sold at market.

The bank, brainchild of a Gandhi disciple, Ela Bhatt, was founded by the Self-Employed Women's Association, or SEWA. Many of the women in this trade organization rank among the poorest, least educated and most ostracized in India.

Today, the bank has more than 40,000 members and assets exceeding \$2 million. Women run the bank, and only women are allowed to make deposits and borrow money.

The result is impressive: Against enormous odds, Indian women are transforming their lives.

This is one of many images that stayed with me after my trip through South Asia — a trip made more meaningful because I shared it with my 15-year-old daughter.

In each country we visited — Pakistan, India, Nepal, Bangladesh and Sri Lanka — we saw women struggling to overcome poverty, illiteracy, inadequate health care and deeply rooted cultural barriers, by joining together to increase their earning power. SEWA is but one example of how women have organized around their capacity as borrowers, lenders and savers to achieve greater economic autonomy for themselves and greater prosperity for their families.

The South Asian experience offers a simple lesson: that investing in people, especially women and girls, is as essential to the prosperity of the global family as investing in the development of open markets and trade.

Women comprise more than half of the world's population. They care for most of the world's children. And they do more than their share of the world's work. Investing in their education and health, and assuring their full political, economic and social participation in society, ought to be the bottom line in any development equation.

In country after country, women have demonstrated that, when given the tools of opportunity — education, health care, access to credit, political participation and legal rights — they can lift themselves out

of poverty and, more important, lift their families, communities and nations as well.

Education plants seeds of prosperity for women around the world. I saw examples of the way schools in South Asia are reshaping the social and economic landscape. The Prayas School in India is a volunteer effort, founded by wives of professors at the Indian Institute of Technology. The school serves the poorest women and girls in the neighboring slums of New Delhi, offering classes for young girls and training women to make ceramics, jewelry and other artifacts that they can sell for profit.

In Bangladesh, where the literacy rate for women is 29 percent (compared with 45 percent for men), a nongovernmental organization has established 27,000 schools, most of whose students are girls. A government-run school I visited in Bangladesh offers material incentives to parents to send their children, especially girls, to attend. As an American, I was proud to learn that many of the grass-roots enterprises I witnessed were succeeding because of direct assistance from the United States to governments, nongovernmental organizations or U.S.-supported international organizations such as the World Bank.

Like Bangladesh, Pakistan is developing its rural schools. At the Lahore University of Management Sciences, a center of higher learning in Pakistan built with support from the U.S. Agency for International Development, I saw dozens of young women who are training along with their male counterparts to become leaders of their nation's growing business and investment sectors.

These projects are proof that American aid, both financial and technical, has provided the tools of opportunity to those people and nations that have shown a courageous commitment to democracy and a market economy. Today, that American aid remains critical.

It probably bears mentioning that an emphasis on girls and women is not meant to exclude or diminish the rights or interests of men. Men everywhere face challenges and obstacles as they seek to fulfill themselves and their responsibilities to their families. But around the world, women represent a disproportionate number of the poor and vulnerable. Investing in women strengthens families and communities, which helps everyone in society.

The Washington Post.

Neither the Women's Kingdom Nor What We Have Now

By Liesl Schillinger

NEW YORK — This spring I have read "My Mother's House," the Modern Library's new edition of Colette's memoir of her childhood and of her mother. Colette's writing was warm, rich, funny and painful. It brought her long-buried family back to life, complete with their slow, full days, jealous and enveloping family loves, and uncomplicated daily rituals — the blue enamel pot for the hot chocolate, the bunch of just-picked flowers tied with a stem and tossed over a garden wall to a neighbor.

Colette painted a portrait of a time when families were still tribal and trapped together.

MEANWHILE

er. Reading her memoir, I recognized that a whole human sphere has died since she wrote it: the women's kingdom.

Men used to live in the women's kingdom, too. They left it to go to their offices or their plows, but they returned to it inexorably and unthinkingly for meals, for a fire, for human company. Food had to be made, and almost always, women had to make it, which meant more or less that men needed a permanent visa into the women's kingdom if they wanted to live in some comfort.

Women, in any case, could rarely leave it. As Colette painted her memory of her childhood house, with its damp stone walls, sagging wisteria arbors, panting dogs and gardens "where the smell of tomato leaves mingled in July with that of the apricots ripening on the walls," she invested her mother into every part of it, as the force that moved and sustained it.

Colette's mother, I realized, was the "angel of the house" Virginia Woolf wrote about early in this century, who she said would have to be sacrificed if modern woman was ever to be born.

Colette and her brothers would hide from their nearsighted mother when she came

looking for them in the coveted moments of stolen time before dinner. Her mother would call for them, nervous as a cat who had lost her kittens. "Children! Where are the children?" But they wouldn't answer.

Colette wrote: "My mother would throw back her head and gaze heavenward, as though waiting for a flock of winged children to alight from the skies."

Most of the women I know, and presumably many other American women, approach the question of having children with great wariness. Not only do we worry about the financial burden, the constraints on freedom, the loss in status and the physical challenge of childbearing, we remember growing up as the children of working women ourselves.

As we reach and pass the age when our mothers gave birth to us, we remember the resentment we felt that our mothers had other priorities besides us, even as we admit our respect for their careers and their minds, and appreciate that they showed us how to work and have a family at the same time.

And yet, like Colette, do we really want to repeat their lives? Can we raise children in today's world with any confidence that we can make them reasonably happy, while keeping ourselves reasonably sane?

This is a scary time to contemplate parenthood in America, not only for women but for men as well. The mission of parenthood once was to raise children to be smart, happy, productive and employable adults.

In fact, even fulfilling the old mission is beyond the reach of most Americans now. The sad truth is that the family life that conservative pundits are so eager for Americans to resume cannot be; it is a luxury that the country cannot afford.

The country cannot afford to keep wom-

en at home; therefore, women work even when they don't want to. And this punishes not working mothers, not working fathers, but the children, who grow up with patched-together care that their parents can ill afford, and with parents too busy earning them their educations, their clothes and the roofs over their heads to spend time with them.

All too often, parents live in the workplace, children at school; the home is a pit stop. And yet, whether or not anyone has time for it, children still need parental attention, just as they always have.

I remember something my younger brother said when my parents, exhausted from their careers, their household chores, their orchestration of our daily rehearsals and practices and applications and gym shoes, resisted his harping request for a new puppy.

"Surely we don't need a dog?" my father said to him, a little pleadingly. My brother, maybe 12 at the time, just looked down at his feet and said, "Well, it would just be nice to have someone in the house who was glad to see me when I got home."

"On the other hand — sure, let's get a dog," my father acceded heartily, thrown willy-nilly over the barrel of modern parental guilt.

Most Americans cannot afford a house, a car and the upkeep of two children and two adults on one salary. Champions of family values brunt the need for the American idyll on the floor of Congress, to cover up the sounds of that idyll's suffocation — the shortage of subsidized day care, the neglect of the public schools, where the children of the rich do not go.

Look at the airwaves and movie screens and you will see the real picture Americans have of family. There are no tomato vines and trellises, quiet children and hot chocolate, but a grotesque fun house mirror: the leering and malicious Bundys, for example, on "Married With Children." On the talk shows, the endless talk shows, young wives

tell their husbands that they never, ever loved them — publicly crucifying the young men for ever having believed in marital trust.

In the last century, children had to be accepted and dealt with. When Mark Twain remarked that "babies are an inestimable blessing and a bother," he spoke with an indulgence that bespoke inevitability. Everyone had babies, children were underfoot, you were stuck with the hand you were dealt, and there it was.

Today, birth control can guarantee that having children is a choice rather than an accident, and parents who plan excitedly for the arrival of a child do not anticipate the sacrifices that birth will bring.

Quarantined as they are by the adult office world, people forget that children will take all you can give and never say thank you, and they will always act as if you could have given more. And although they love you, they ultimately are more interested in your love for them. Children do not want to think about your happiness; they want you to think about their happiness. In other words: Children are exactly like the rest of us, only smaller.

And yet, most of us will one day have children, and face the consequences later. Because whether or not our culture is conducive to child raising, the ghost within us all which remembers running barefoot on green grass, waiting to taste too-hot strawberry pie, laughing to the point of tears with cousins, and sitting by the chlorine-smelling pool in the summers that have no hours — that ghost of childhood pleads with us to close our eyes and take a chance that everything will still be possible all over again.

In the boardroom and the bedroom, that ghost within us whispers whether we want it or not. "Where, oh where, are the children?"

Liesl Schillinger is a New York writer. This comment is abridged from an article in *The Washington Post*.

LETTERS TO THE EDITOR

A Difference for Asia

Of late, as a result of former Defense Secretary Robert McNamara's book, there has been renewed breast-beating in the United States about America's participation in the Vietnam War. Admittedly, American leaders had underestimated the power of local nationalism, and there was too much arrogance about America's capacities, both financial and military. However, it was the mighty presence of American forces in Indochina, with well-developed facilities to launch operations inland, that turned the tide in another, far more crucial, sphere.

In the 1960s, Chinese expansionism was at its peak, behind the audacious Mao. It was the growing American involvement in Vietnam

that persuaded China to practice restraint and caution at a crucial stage. It ultimately led to China seeking a modus vivendi with the United States — with results that changed contemporary Asian history. Americans did not die in Vietnam in vain.

NARENDRA SINGH,
Sarila, India.

The writer is a former Indian ambassador to France.

A History on the Fringe

Regarding "The Far-Right Bombers Aren't New to the Job" (Opinion, May 2) by Frank Rich:

Mr. Rich links far-right terrorism in America to the anti-abortion movement. But it has a much longer history. Most conspiracy politics and

terrorist activity in the United States has come from rural areas and belongs on the conservative side of the political ledger, whether represented by Republicans or Democrats.

One thinks of the Ku Klux Klan reasserting white supremacy in the South through terror and "Bouyon Democracy" in the 1870s and 1880s; or of Father Coughlin's radio hate in the 1930s, applauded by Republican conservatives busy with their own vilification of Franklin Roosevelt as a "Communist." It was not the "pinko" Henry Wallace in the wartime '40s but the principled Republican Barry Goldwater in the prosperous '60s who said, "Extremism in the defense of liberty is no vice." Lyndon Johnson confided to his biographer that he kept the Vietnam War going for fear of a "right-wing" backlash simi-

lar to the "Who lost China?" smear campaign in the '40s and '50s.

And today, Pat Robertson, leader of the Christian Coalition, a conservative lobby, thinks that "cosmopolitan" bankers with Jewish-sounding names have been acting as agents of Satan since the 18th century.

Are Americans finding the Oklahoma City bombers hard to place in the American shape of things? Forget abortion clinic bombings, study American politics; American conservatives ought simply to look in the mirror. Maybe then they will understand that when the Black Panther H. Rap Brown said, "Violence is as American as apple pie," he was referring not just to Al Capone but to his fellow citizens.

TRACY DANISON,
Paris.

Canada Was Quite Right

The Law of the Sea treaty gives nations the right to "innocent passage." It gives no nation the right to plunder ocean resources, nor does traditional maritime law. The Spanish fishing vessels that were stopped by Canadian patrol boats were not engaged in "innocent passage." They were fishing illegally.

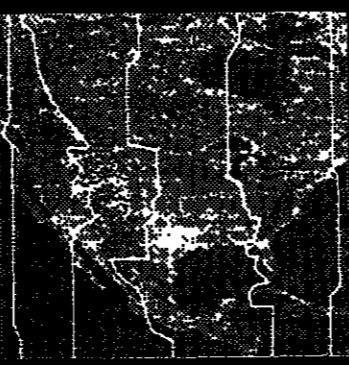
Canada should be congratulated. It has fulfilled an international responsibility after, in effect, finding Spain with its hand in the till. The European Union's support of Spain made a mockery of what a united Europe should be. Brussels ought to have disciplined Spain and apologized to the world.

BARRY EDGAR,
Epalinges, Switzerland.

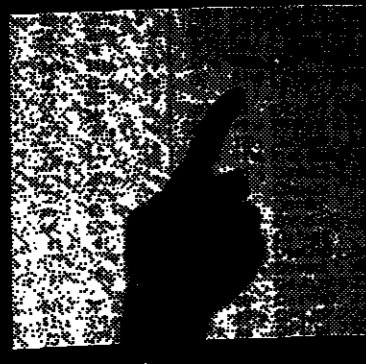
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Based on French Summer Time, March 26 to Sept. 30, 1995.

And the world is closer.



France Telecom

Cannes: All the Bad News

By Joan Dupont
International Herald Tribune

CANNES — This year, the poster is not by Fellini or Kurosawa, as in festivals past, but a product of "electronic imaging," designed to evoke the history of world cinema. It shows a beach scene with sunlight penetrating black and white skies above a seascape of old stills. The famous "Gone with the Wind" embrace between Vivien Leigh and Clark Gable dominates, also riding the waves is the pandemonium scene from Eisenstein's "Battleship Potemkin," carriage bumping down the Odessa steps. And out of the prism, a pink-cheeked baby crawls to shore.

Gilles Jacob, announcing the selection for the 48th Cannes festival, which opens Wednesday, referred to this didactic and hideous poster, like a general demonstrating strategic points on the map. No doubt that it reflects a hodgepodge image that haunts festival organizers — stormy weather on the beachhead, the enduring power of Hollywood, with the baby representing a ray of hope.

The situation is not brilliant, said Jacob, who has been in charge of the selection process since 1979, after viewing a record 409 films this year, he emerged with a slate of 20. "I sound pugnacious because we saw so many films that have no artistic value or any vital reason for being made. And there's nothing more exhausting than seeing bad movies. The state of world cinema is bad. There's a real script crisis."

The first hundred years of cinema will be celebrated all during the festival. "Our cinema is the oldest, so we're celebrating ahead of other countries." The old-timers — Ford, Tarkovsky, Fellini — will be duly feted, favorites invited back, and, hopefully, a new generation of filmmakers launched.

Every year, Jacob goes to Los Angeles, scouting for fresh product, campaigning to win over wary studio chiefs who hesitate to commit films to the trial by fire of competition at Cannes. Recent Palme d'Or winners — "Sex, Lies and Videotape," "Barton Fink," "Wild at Heart," "Pulp Fiction" — were made by the smaller, independent studios and are tongue-in-cheek versions of the European film noir.

"If you describe the plot of 'Pulp Fiction,' it sounds impossibly gory, but the movie is made with so much humor. Americans seem to be the only ones who know how to turn out a script that suits the studio and the public. There's no war between America and Cannes, but Hollywood has a problem: if a film hasn't been released and had its run in the U.S., they don't want to take the risk of exposing it to criticism at Cannes. Directors like Spielberg and Woody Allen have submitted their films, but the people who produce blockbusters think twice."

James Ivory's "Jefferson in Paris," Nicholas Hytner's "The Madness of King George," and Tim Burton's "Ed Wood" have all had their run. The more risky American entry is "Kids," by photographer Larry Clark (known for a book titled "Teenage Lust"), an incendiary first film

that portrays teenage sex in the AIDS age and has already created a fracas within the Miramax-Disney partnership.

Cannes, the biggest international showcase for premieres, misses out on Hollywood's fresh crop of summer entertainment, the movies that pack in crowds. "We need the excitement of the premiere," admits Jacob.

The competition is rife with serious themes that treat the contemporary scene — sex, drugs, AIDS, wars and racial conflicts, from Burma to the Balkans, titles like "N'oubliez pas que tu vas mourir" (Don't Forget That You're Going to Die) and "La Haine" (Hatred). Jacob insists on the note of renewal, of budding auteurs — that baby crawling out of the prism — saying that two ways of treating current events have been handed down by cinema's founding fathers, Louis Lumière and Georges Méliès.

The new generation of French filmmakers — Xavier Beauvois ("N'oubliez pas que tu vas mourir") and Mathieu Kassovitz ("La Haine") — treats these themes directly, realistically, a tradition that dates from Lumière. The dramatic, romantic trend dates from Georges Méliès. Look at a movie like "In Cold Blood," adapted from Truman Capote's book, directed by Richard Brooks — the subject was realistic, *cinéma vérité*, the treatment dramatic.

There is a difference between American *cinéma d'auteur* and French *cinéma d'auteur*, says Jacob, because of the Hollywood influence on independent filmmaking. "In



The French film "La Cité des Enfants Perdus" by Marc Caro and Jean-Pierre Jeunet opens the festival at Cannes.

America, even the auteurs dream of being picked up by Hollywood." He makes an exception for Jim Jarmusch, a director who wears a certain French idea of cinema with style and is back with "Dead Man," a western.

Jim's spin on the western is original and in black and white. We have several black-and-white films in competition and love the aesthetic choice. "The festival opens with a French superproduction, 'La Cité des Enfants Perdus,' by Marc Caro and Jean-Pierre Jeunet. This made-in-studio movie that cost as much as the classic 'Cyrano de Bergerac,' and looks more like the bizarre cult film 'Brazil,' has already pushed critics' '30s, Emir Kusturica's 'Underground,' a

directed "Delicatessen," have created another special effects universe, a dank underworld peopled with clones and monsters, where a character named Krank steals children's dreams. More Méliès than Lumière for sure.

Once again this year, the competition seems to be split between America and the rest of the world, which often means a French coproduction. Despite ongoing criticism of French "protectionism," France has a far-ranging policy of coproduction. Christopher Hampton's "Carrington," the odd love story between Bloomsburys Lytton Strachey and Dora Carrington, Zhang Yimou's "Shanghai Triad," about a gang war in China in the love-hate buttons. Caro and Jeunet, who

fable set in war-torn Belgrade, and Souleymane Cissé's "Le Temps," a film about apartheid in South Africa, are among French-funded films in competition.

Jacob considers "Carrington," starring Emma Thompson and Jonathan Pryce, a good example of the way to go. "The successful coproduction is not a Europeanizing. It means financial input, and leaving the artistic choices to the director. Playwright and screenwriter Hampton makes his debut as director."

Rarely has a festival had so many titles that spell doom. A great one to watch for, "Things to Do in Denver When You're Dead," is a first film by Gary Fleder that is being shown in the non-competitive section known as "Un Certain Regard."



Toby Stephens, Emily Raymond and Kevin Doyle in "A Midsummer Night's Dream" at the Barbican.

The One the Abbey Turned Down

By Sheridan Morley
International Herald Tribune

LONDON — Sean O'Casey's "The Silver Tassie" is, ironically, most famous now for the circumstances and consequences of its original non-production. This was the play that the Abbey in Dublin turned down, thereby causing that theater to lose forever its greatest dramatist and O'Casey to lose forever his Irish homeland.

True, he was already in exile at the time he wrote it in 1927; but there had always been the thought that he might go back, at least until Yeats wrote him a rejection of the script on the rather curious grounds that as O'Casey had not fought the Great War he had no right to write about it, an argument that would similarly have denied the Abbey most if not all of Shakespeare, except possibly "The Merry Wives of Windsor."

In truth, even now in an admirable new revival at the Almeida, "The Silver Tassie" is a long way below the Dublin best of O'Casey, lurching as it

does from poetry to reality by way of apocalyptic fantasy, rather as though T.S. Eliot were to have written "Journey's End" or W.H. Auden were to have had a go at "Oh, What a Lovely War!"

Yet in there somewhere are some haunting, terrified and terrifying moments, as soldiers

LONDON THEATER

huddle around a cannon or a crippled soccer hero destroys the trophy of the title.

Lynne Parker's staging celebrates what Shaw called "a hell of a play," moving it through battlefields and military hospitals and soccer-club dances to its final, awful conclusion of fate and futility and the betrayal of those who fought to fight the peace.

In a strong cast, Stuart Graham, Brendan Coyle and Pat Laffan are outstanding.

An example of a nontraveling hit can currently be found at the Greenwich. Paul Rudnick's "Jeffrey" ran a couple of years off-Broadway, won the 1993

best-play award there, and yet comes over to us looking just terrible, as though a series of half-finished undergraduate cabaret sketches about gay life in New York had been cobbled together rather too quickly by the simple device of having one central character move through them.

From Larry Kramer's "The Normal Heart" over 15 years to Terrence McNally's "Love, Valour, Compassion," there have already been some truly powerful dramas about AIDS and that's not even counting the overblown "Angels in America." But "Jeffrey" is a travesty of that tradition: a mindless, giggly shambles, all the more shocking because it comes from the screenwriter of the "Addams Family" movies.

True, there is one good idea in this otherwise derelict, chaotic vaudeville: that of a showbiz-obsessed cleric ("I'm a Catholic priest — historically that comes between a chorus boy and florist") who believes that all sexual and social ills can be cured by reference to a Cameron Mackintosh musical.

Outside of that, not a lot. The plot such as it is concerns Jeffrey's decision to abandon sex ("How dare you?" shrieks his confessor, "when in Europe they're starv-

ing for a date") and then to return to it, by which time we are alas way past caring.

Into the Barbican from last summer at Stratford comes Adrian Noble's "A Midsummer Night's Dream" which barely opens with its own homage to the ground-breaking Peter Brook production of 1970.

Here too we first encounter Hippolyta on a swing trapeze. But from there, Noble takes off in his own direction with a modern-dress troupe who might well be in rehearsal for a Warwickshire amateur Ayckbourn, and his lovers are a self-regarding, querulous quartet.

Working on an initially rather bare Anthony Ward set, the cast intelligently holds the line between romantic melancholy and rustic farce.

Alex Jennings leads the doubling as Theseus and Oberon, playing both as genial tyrants, but all through the casting Noble is at pains to parallel the real with the fairy world, so that behavior is much the same on either side of the magical divide.

The result is an intriguing mirror-image of the play, in which a lively cast are given the chance to act out their fantasy and their real selves on stage in an enchanted kingdom shot through with sudden bursts of chilly, acid-rain reality.

Annie Lennox's Night at Grammys

By James Gavin

NEW YORK — Annie Lennox would rather not appear in public these days. But when she does, she makes an impression. Just before the release of her new album, "Medusa," in March, she agreed to present an award at the Grammys.

"Normally I shy away from that sort of thing," she says. "Then I thought, 'What the heck, I'm about to have a record out, people need to see me. I'll use this.' So I became an industry slut for the night."

To demonstrate her point, she wore a black leather dress and Mickey Mouse ears. Nobody watching seemed to have a clue what the get-up meant, but it was perfectly clear to her.

"I think Mickey Mouse is very sinister," she explains. "My children love him, all children love him, but Mickey Mouse is big because of dollars." The same is true of the Grammys, she says. "I wore the ears and the leather dress to connect the Mickey Mouse crown, if you will, with the fetishistic dark underworld of sex and whoredom that the Grammys represent. So I used the occasion, but also said something about it."

Now 40, the Scottish-born singer and songwriter has never been afraid to go out on a limb. As half of the Eurythmics — the duo that ruled British technopop throughout the '80s — she took on the guise of a carrot-haired androgynous, a dyed-blond tart and a dozen other characters as a way of commenting on the masks people hide behind. "Sweet Dreams (Are Made of This)," the single that launched her and her partner,

Dave Stewart, in 1983, made a chilling statement about greed and opportunism that came wrapped in pretty packages.

In 1992, Lennox took a mocking look at herself, naming her first solo album "Divas"; it sold five million copies.

"Medusa" conspicuously makes no statement at all.

It consists solely of remakes of other people's songs: "Take Me to the River" (Al Green), "A Whiter Shade of Pale" (Procul Harum), "Downtown Lights" (Blue Nile) and so on.

The idea came of necessity: With two

young daughters, Lola, 4, and Tali, 2, to occupy her, not to mention her husband of seven years, the Israeli filmmaker Uri Fruchtmann, Lennox has not written a single song since "Divas."

"Medusa" has remained in the Billboard's top 20, despite many mixed reviews. Steve Morse, writing in The Boston Globe, called it a "strange side track" that "favors polio, stylized songs that wallow in mush."

But for other listeners, it exploits Lennox's greatest strength: her reedy, lashing alto voice with its touches of white soul.

"Medusa" inspired the singer Linda Ronstadt to call her "the best female rock singer from the '70s onward, hands down," adding, "There's emotion

permeating every brilliantly executed twist and turn."

And when will her fans get to feel that emotion in person? They won't, at least not soon. No tour is planned, and her managers are turning down nearly every offer.

Even before "Medusa" came out, Lennox seemed to be bracing herself for the inevitable: that a lot of critics would not take seriously an album of remakes.

She tried to sound philosophical about it: "If I know that I did my best, that the work is authentic to me, I just have to say, 'Well, they didn't like it.'"

She lets out a nervous laugh, then adds, "Fair enough, you know."

James Gavin, who is writing a biography of the jazz trumpeter and singer Chet Baker, wrote this for The New York Times.



Annie Lennox: other people's songs.

A Battle for the New 'Huck Finn'

By Deirdre Carmody
New York Times Service

NEW YORK — The battle between book publishers for the rights to the original draft of "The Adventures of Huckleberry Finn," which includes unpublished material, has begun in earnest now that the three parties claiming ownership have reached their own settlement.

The discovery in 1990 of the first half of the handwritten manuscript, which had been presumed lost for more than 100 years, provides a gold mine for scholars.

Victor Doyne, a professor of English and American literature at the State University of New York at Buffalo and president of the Mark Twain Circle of America, likened it to "the British finding a working manuscript of

"King Lear" or "Hamlet."

Publication of the first half of the manuscript is scheduled for the fiction issue of The New Yorker, which comes out June 19. It involves a conversation in a cave between Huckleberry Finn and Jim, the runaway slave. They discuss ghosts, and Jim describes a terrifying experience in a morgue in which he wrestles with a corpse.

"It is morbid, but it is brilliant, and it works as a self-contained story and a magazine piece," said Bill Buford, fiction editor of The New Yorker, who declined to say what the magazine paid for rights to the piece. "To be in the hands of the master again is so rewarding, and it calls into mind why you want to bother to publish contemporary fiction."

David T. Eames, a lawyer who represents Barbara Testa,

who found the manuscript, and her sister, Pamela Lindholm, said that he had had "extensive negotiations with book publishers" about rights to the draft.

Patrick Martin, general counsel for the Buffalo & Erie County Public Library, another involved party, said his client was talking to publishers about possible publication rights.

The race among publishers comes on the heels of a squabble among the parties who have claims to the material. It dates back to 1885, when James Fraser Gluck, a young attorney in Buffalo, New York, began to assemble a collection of manuscripts and letters of important authors of the English-speaking world.

He wrote to Samuel L. Clemens — who used the nom de plume Mark Twain and who 15 years earlier had been editor and part-time owner of The Buffalo Express — and asked him to donate material to the library in Buffalo.

Clemens replied by sending the second half of the original draft of "The Adventures of Huckleberry Finn," which had been published that year. He said he thought the first half had been destroyed by the printer.

Two years later Clemens found the first half and sent it along. Gluck apparently took it from the library, but failed to return it.

He died the following year and the manuscript, which had no library markings, was turned over to his widow by the executors of the estate. She eventually moved to California to be near her daughter and the trunk

containing the manuscript went with her. It was finally opened by Testa.

The manuscript was taken to Sotheby's in 1991 for authentication. At this point, the Buffalo & Erie County Public Library claimed the manuscript as its own, while the Mark Twain Foundation in New York City laid claim to the intellectual property rights.

A settlement was finally reached in which the sisters, the library and the foundation agreed in essence to split proceeds from the material.

A most important aspect of the newly discovered manuscript is that it is filled with revisions in Clemens' handwriting and illustrates his process of work and his changes of mind. (One chapter in the manuscript was eventually removed from Huckleberry Finn and ended up in "Life on the Mississippi.")

ANOTHER change involves the "Notice" at the beginning of the novel: "Persons attempting to find a motive in this narrative will be prosecuted; persons attempting to find a moral in it will be banished; persons attempting to find a plot in it will be shot." The early draft does not contain the part about a moral. "I think in the very beginning he had not planned to have it be a novel of Jim's liberation," said Doyne. "And only after it became an important book about human liberation and developing individual integrity did he put in the middle phrase about people intending to find a moral."

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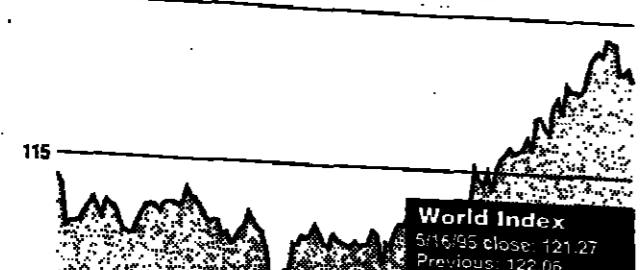
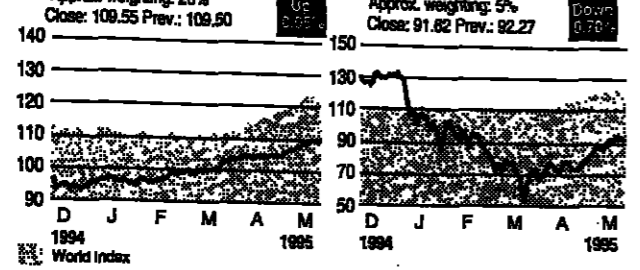
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Herald INTERNATIONAL Tribune
THE WORLD'S DAILY NEWSPAPER

OFFICIAL 1995

WEDNESDAY, MAY 17, 1995

PAGE 13

THE TRIB INDEX: 121.27
International Herald Tribune World Stock Index, composed of 280 internationally investable stocks from 25 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.**World Index**
121.27 close, 121.27 previous, 122.05**Asia/Pacific**
Approx. weighting: 32%
Close: 120.05 Prev.: 133.99**Europe**
Approx. weighting: 37%
Close: 128.41 Prev.: 127.02**North America**
Approx. weighting: 26%
Close: 109.55 Prev.: 109.50**Latin America**
Approx. weighting: 5%
Close: 91.82 Prev.: 92.27**Industrial Sectors**

Sector	Close	Prev.	% Change
Energy	125.80	125.32	+0.22
Utilities	132.72	132.43	+0.22
Finance	121.48	123.16	-1.36
Services	114.61	115.32	-0.62
Capital Goods	124.52	124.69	-0.14
Raw Materials	141.35	141.42	-0.04
Consumer Goods	113.03	113.86	-0.73
Miscellaneous	129.40	130.07	-0.52

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Microsoft and NBC Form Alliance for New Media

By Lawrence Malkin
International Herald Tribune

NEW YORK — Microsoft Corp. formed a multimedia alliance Tuesday with National Broadcasting Co., joining the push among companies to link with complementary partners as they navigate uncharted sections of the information highway.

The companies said they would use NBC's programming skills and vast entertainment library to enhance an on-line service under development by Microsoft. The alliance will also be backed by the deep pockets and technical expertise of NBC's parent, General Electric Co.

The announcement came as Time-Warner Inc. was discussing the possibility of linking its local

cable-television systems, soon to be the country's second-largest, with the long distance network of AT&T Corp., enabling it to leapfrog local phone companies.

Software, or information content, was uppermost in the Microsoft-NBC deal, as it was when MCI Communications took a \$2 billion stake last week in the News Corp. media conglomerate controlled by Rupert Murdoch.

But as Congress examines loosening pricing regulations on cable TV and competition among communications companies, it has become evident that the giants of the computer, telecommunications, entertainment and publishing businesses have resumed exploring strategies for a new 21st century industry.

Last year, the rush toward multimedia alli-

ances was temporarily halted after regulators clamped down on cable TV prices.

Microsoft's on-line service is to be packaged with its new operating system software, called Windows 95. The software is to be released late this summer. The on-line service faces tough competition from such established concerns as CompuServe, America Online and Prodigy.

Robert Wright, NBC's president, said that by working together, the two companies "will be able to produce new media products that have enormous content and market advantages."

In addition to interactive communication, they plan to develop interactive sight-and-sound compact disks known as CD-ROMs. "For example," said Bill Gates, chairman of Microsoft, "NBC could market broadcasts on Olympic

sports, politics and elections, and personal finance."

NBC said it would contribute its television audience reach, production expertise and advertising base, while Microsoft would bring its software skills and a different distribution system through its computer users.

Both sides made it clear that money would not be their primary consideration. NBC plans only a "modest investment" to develop CD-ROM technology, Mr. Wright said. Mr. Gates said that "one of the things the whole world will be learning about" will be how to earn money from networks.

The long-term aim, both made clear, was to use the network as a low-cost mass medium, like television itself.

April Data Indicate U.S. Weak Spots

Compiled by Our Staff From Dispatches

WASHINGTON — The slowdown in U.S. economic growth has trickled down to homebuilders and manufacturers, government reports indicated Tuesday.

New-home starts rose a smaller-than-expected 0.4 percent in April, as a glut of unsold properties kept cautious builders from taking advantage of mild spring weather, the Commerce Department reported.

The Federal Reserve Board, meanwhile, said industrial production fell in April for the second consecutive month, as factory output of autos, home appliances and furniture slowed.

"I don't think it's going to be the last lousy month," said David Weiss, an economist at DRI/McGraw-Hill in Lexington, Massachusetts. "We're not selling anything. Inventories are building up at an unsustainable pace."

The Commerce Department report indicated that homebuilding activity would remain weak in the months ahead; permits for new construction rose just 0.6 percent last month.

Bond traders welcomed the news as evidence the economy was slowing to a moderate pace with little threat of accelerating

inflation. The benchmark 30-year Treasury bond rose 1 3/32, to 109 21/32, bringing its yield down to 6.86 percent from 6.94 percent.

"The economy is not falling," said economist Eugene Sherman of M. A. Shapiro & Co., a Wall Street investment adviser. "It's just more sluggish than anticipated."

Joseph Blalock of America's Community Bankers agreed but added, "If you're worried about inflation, this slowing is likely to be a good thing."

The dollar posted small gains against major currencies in late trading, while stocks were mixed.

April's modest increase in housing starts caught analysts by surprise. They had been expecting falling mortgage rates to lead to a larger gain.

Starts of single-family homes fell 0.1 percent, while starts of multi-family projects, such as apartment buildings, increased 2.4 percent from the previous month.

The number of vacant new homes, especially those built on speculation that buyers would be found, has increased in re-

Costly Ride to Showroom in Japan Jeep Cherokee Exits Maze With Price 64% Higher

By Sheryl WuDunn
New York Times Service

TOKYO — Jeep Cherokee No. SL542455 rolled off the assembly line last Oct. 9 at Chrysler Corp.'s plant in Toledo, Ohio. It left the factory with a price tag of an estimated \$19,100.

But in a cramped showroom here in Japan, the retail price for such a car is now \$31,372 — about 64 percent higher — at the current exchange rates.

This Jeep is a brilliant blue Sport model, with six roaring cylinders, automatic transmission and right-hand-side power steering.

A comparable model would have a sticker price of \$20,698 in the United States. But this particular car did not just go from ship to showroom.

Instead, it took a much longer route — first through a maze of tests, regulatory requirements and form-filling, and then through a web of relationships with distributors and dealers.

It is part of a system that drives the price of imported cars sharply higher and that U.S. trade negotiators say helps to make Japan a market sheltered to benefit domestic automakers.

After 20 months of bitter negotiations, Washington announced Tuesday that it would retaliate by imposing punitive tariffs on Japanese luxury cars within the next 30 days unless Tokyo relented.

But the journey of Jeep Cherokee No. SL542455 illustrates the magnitude of

the problem and the unlikelihood of a quick fix. For few of the added costs are particularly onerous or demonstrably unfair in themselves.

Even if Tokyo agreed to meet the U.S. demands, perhaps making it easier for Detroit to sell vehicles in Japan, it is unlikely that the huge increase in the sticker price of imported U.S. cars would decrease by much.

Indeed, the current trade dispute focuses on opening the market for auto

parts and putting U.S. cars into showrooms in Japan, not on eliminating this bureaucratic procedure or that quality check.

Still, underlying the confrontation between Washington and Tokyo is the intense, almost overwhelming frustration that Detroit's Big Three automakers feel in trying to penetrate an unfamiliar Japanese market.

Conversely, Japanese-made cars ex-

What is true for imported automobiles is also true for Japanese business practices overall, which tend to favor producers at the expense of consumers and make nearly all goods — but especially foreign products — substantially more expensive than elsewhere.

"The talks are all about the system itself, the fact that Japan is not as easy to sell into as the United States," said Peter Boardman, an auto analyst at UBS Securities Ltd. To Jerry K. Hsu, in charge of Japanese sales at Chrysler International Corp., the basic problem is that "it's an uneven playing field."

In most countries, for example, Chrysler finds it fairly easy to market its cars through local distributors or its own subsidiaries. In Japan, by contrast, car dealers have such close ties with the domestic automakers that they either refuse to sell U.S. imports or put them in out-of-the-way showrooms.

When Japanese companies import their own U.S.-made cars to Japan, they still need to comply with government regulations. But they can translate their familiarity with the system into cost savings because they know how to take shortcuts.

European automakers have done better in Japan than Americans, primarily because they ship luxury models to buyers who are relatively unconcerned about price.

Conversely, Japanese-made cars ex-

See RIDE, Page 17

MEDIA MARKETS

Need a Date? Listen to Your Jewelry

By John Markoff
New York Times Service

NEW YORK — To some, the Internet is already old hat. But how about Bodynet, an enveloping computer web in which your wireless-data telephone might actually be a hat? Or scarves and neckties with enough sensors and computer intelligence to warn you that the accompanying blouse or shirt is a dubious fashion choice?

The Bodynet might also offer intelligent eyeglasses, which could sense what you were looking at and automatically adjust the focus.

Bodynet is just one of many blue-sky possibilities in Things That Think, a project that researchers at the Massachusetts Institute of Technology's Media Laboratory are unveiling in Cambridge, Massachusetts.

The presentation was being made Tuesday to more than 150 potential corporate sponsors, many of them in fields — such as foods, jewelry and consumer products — not usually associated with high-tech innovation.

This is new territory for MIT's Media Lab. In the 1980s, the lab pushed the world toward a new idea: multimedia. Now that multimedia has become relatively commonplace, the Media Lab feels the need to once again get ahead of the digital curve.

"Our multimedia mission is over," said Nicholas Negroponte, who founded the lab in October 1985 and continues as its director. Most of its \$20 million annual

budget is now provided by media and consumer-electronics corporations.

Things That Think is dedicated to the idea of designing computer intelligence into everyday products. The premise is that, as computers get smaller, cheaper, more powerful and pervasive, society will move beyond the information era to one in which virtually anything can be made to act like a personal computer.

Possibilities, researchers say, include shoes able to calculate the time it will

As more and more common objects are given computing capabilities, "it will be like the world is full of magic."

Michael Hawley, an MIT Media Laboratory professor.

take to walk to a given location, clothing that continuously relays a recovering patient's vital signs to a doctor's database or jewelry capable of sizing up the attributes of potential dates across the dance floor and even sending messages to the jewelry worn by the prospective partner.

Such everyday objects as doorknobs, chairs and toasters could contain computers embedded on a silicon chip, programmed to do any number of useful things by sensing the movements or feel-

ings of their owner or by learning the owner's habits.

"People define their world by the objects and tools that surround them," said Michael Hawley, a Media Laboratory professor. "As more and more common objects become imbued with computing capabilities, it will get really bizarre. It will be like the world is full of magic."

The Things That Think project will focus on three categories: new sensing technology, new networking technology and a kind of artificial intelligence that makes objects responsive to human needs and emotions.

The original idea of the lab was to explore the ways that the traditional media — including newspapers — could or should change in response to the way computers were putting so much information into digital forms that could be stored and transmitted.

But now that personal computers are multimedia play stations, and many magazine and newspaper companies have either gone on line or are preparing to, the Media Lab sees less need for its original kind of evangelism and more need to attract new kinds of corporate patrons.

Marvin Minsky, a researcher on artificial intelligence research who is a professor at the Media Lab, is tinkering with one of the newer ideas: a sport coat that would adjust its thermal properties to different climates, obviating the need for a closet full of jackets for different seasons.

"Wouldn't it make more sense," he said, "to have one \$1,000 coat than 10 \$100 conventional coats?"

Japan Placed Big Bets in Asia Last Year

Reuters

TOKYO — Japan's direct investment in the rest of Asia soared 47 percent to a record high in the latest fiscal year as the surging yen prompted firms to shift more production overseas, the Finance Ministry said on Tuesday.

Asia overtook Europe to become the second-biggest recipient of Japan's foreign investment, behind North America, the ministry said in a report.

"Because of growth potential and low wages, Japanese companies preferred Asia to Europe," said Yutaka Miyazaki, director of the Europe division of the Japan External Trade Organization.

Japanese investment in Asian factories and other businesses climbed to a record \$9.7 billion in the year to March 31, 1995 — accounting for 24 percent of Japan's overall foreign investment.

The yen appreciated more than 15 percent against the dollar during the year, making it more difficult for factories in Japan to compete in international markets against lower-cost producers in China and Southeast Asia.

The yen's appreciation also made it cheaper for Japanese companies to build factories abroad, officials noted.

Overall, Japan's foreign investment in the most recent fiscal year climbed 14 percent, to \$41.1 billion.

Investment in Europe fell 22 percent, to \$6.2 billion. But investment in North America rose 16 percent, to \$17.8 billion, accounting for 43 percent of Japan's overall foreign investment.

Latin America attracted \$5.2 billion worth of Japanese direct investment, a 53 percent increase over the 1993-94 year.

Yoshihiro Araki, assistant director of the Japan External Trade Organization's Asia-Oceania division, said small and medium-sized Japanese firms — mainly suppliers of electronics and car parts — were following

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bigger companies in establishing Asian production sites outside Japan.

■ Tokyo Reviews Soft-Loan Rates

Japan is considering cutting interest rates on yen loans extended to developing countries, the head of the Economic Planning Agency said Tuesday, Bloomberg Business News reported from Tokyo.

Massahiko Komura said Japan may cut the rates "because markets rates are declining, not because of the rise in yen's value."

The yen's sharp appreciation this year has made it difficult for developing countries to pay back yen loans.

An agency spokesman said that if rates were not considered low, Japan would not be providing any benefit to developing countries.

As of 1993, Japan had about 394 billion yen in loans outstanding to developing countries, the spokesman said.

Quarterly Loss Mars Lufthansa Rebound

Compiled by Our Staff From Dispatches

FRANKFURT — Lufthansa AG said Tuesday that a lull in winter travel brought it a pretax loss in the first quarter of this year, although the German carrier said it turned a profit in 1994 for the first time in four years.

Lufthansa said it posted group net profit of 302 million Deutsche marks (\$211 million) in 1994, its first profitable year since 1990. Sales rose 6 percent, to 18.8 billion DM.

But the results were marred by the company's announcement that weak winter air travel caused a pretax loss of 53 million DM for the first quarter of this year.

The loss, along with a warning

from Jürgen Weber, Lufthansa's chief executive, that the strong mark was placing a "considerable burden" on revenue, sent Lufthansa stock reeling. The company's shares fell 3.2 DM in Frankfurt, to close at 189 DM.

But Glen Liddy, an analyst with Kleinwort Benson Securities, said investors had overreacted to what was essentially good news from Lufthansa. "I think in principle we're quite pleased with the numbers so far," he said. "The profit figure of 302 million DM was better than the 250 million DM we expected."

The airline had said Monday that it would resume paying dividends for 1994, with a 4 DM payout per common share.

It had not paid dividends since 1990.

Like many airlines, Lufthansa lost money in recent years, but it has recovered as recession has ended, business conditions have improved and cost-cutting measures have been put in place. The German airline had a group net loss of 92 million DM in 1993 after a group net loss of 391 million DM in 1992.

Mr. Weber described 1994 as "the most successful year in Lufthansa's history," and he predicted the carrier would post a "good operating result" in 1995.

The German government last year reduced its stake in Lufthansa to 35.7 percent from 51 percent by selling 7.6 million

new shares plus 1.1 million existing shares to investors. Although further stock sales are planned, Mr. Weber ruled out another capital increase this year.

(AP, Bloomberg)

■ Thai Airways Profit

Thai Airways International Ltd. said Tuesday that its profit declined by 22 percent, to 2.37 billion baht (\$95.3 million), in the six-month period ended March 31, despite increased revenue. The Associated Press reported from Bangkok.

The company attributed the lower profit to rising salaries and the hiring of additional personnel.

China Press Flags Problem Loans

Bloomberg Business News

BEIJING — Less than a week after China announced the passing of a new commercial bank law giving the institutions greater autonomy, a state-controlled newspaper has reported at least 20 percent of bank loans are bad.

The official Economic Information Daily said one-fifth of outstanding loans of the four so-called specialized banks of 350 billion yuan (\$42.3 billion) are "not good." Specialized banks primarily handle state-funded enterprises.

In some industrial regions, the figure of nonperforming loans rises to 40 percent, the paper said.

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British £	1.655	D-Mark	4.4%
Canadian \$	1.058	Swiss Franc	3.3%
French F	1.655	Yen	1.3%
German M	1.655	CS Peseta	1.3%
Italian L	1.655	Yen	1.3%
Japanese ¥	1.655	Yen	1.3%
Spanish P	1.655	Yen	1.3%
Swedish S	1.655	Yen	1.3%
Swiss F	1.655	Yen	1.3%
Thai B	1.655	Yen	1.3%
U.S. \$	1.655	Yen	1.3%
Other Dollar Values			
Australian \$	1.058		
British £	1.655		
Canadian \$	1.058		
French F	1.655		
German M	1.655		
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U.S. \$	1.655		
Forward Rates			
30-day	1.058		
60-day	1.058		
90-day	1.058		
120-day	1.058		
150-day	1.058		
180-day	1.058		
210-day	1.058		
240-day	1.058		
270-day	1.058		
300-day	1.058		
330-day	1.058		
360-day	1.058		

ASIA/PACIFIC

Li Ka-shing Puts Holdings Into Personal Trust

Compiled by Our Staff From Dispatches
HONG KONG — Li Ka-shing, the billionaire chairman of Cheung Kong (Holdings) Ltd., has moved his shares in locally listed companies into a trust fund in his own name, a move that some analysts said Tuesday raised questions about his confidence in Hong Kong's future.

Mr. Li, in a move he said reflected only estate planning, put his 34.95 percent stake in Cheung Kong, the territory's largest property developer, and his other holdings — including 44.96 percent of the property, retailing and shipping concern Hutchison Whampoa Ltd. — into a trust called Li Ka-shing Unity Holdings, according to documents filed Monday with the Stock Exchange of Hong Kong.

The filing listed the value of the holdings as 110 billion Hong Kong dollars (\$14.22 billion). Mr. Li, 67, and the elder of his two sons, Victor Li Tzar-kuo, also an executive of Cheung Kong, are the sole trustees of the new holding company. Mr. Li said the company was registered overseas but said he would not move Cheung Kong's headquarters out of Hong Kong.

"This has people wondering," said Franklin Lam, a property analyst at Salomon Brothers Hong Kong Ltd. "There can be a bundle of motives. This may be a way to shift your risks away from Hong Kong." Still, he said he doubted that Mr. Li's confidence in the future of Hong Kong had been shaken.

(Bloomberg, AFP)

'Tigers' Show Signs of Aging

By Michael Richardson
 International Herald Tribune

Singapore Growth Slows

SINGAPORE — When Smith Corona Corp. announced on May 8 that it would close its factory in Singapore by the end of the year, it was a rude reminder to a work force accustomed to full employment and rising wages that changing technology takes its toll even in the newly industrialized economies of East Asia.

The closure of the U.S. company's typewriter plant, which opened in 1974, will throw 550 employees out of work unless a buyer can be found to retain at least some of them.

The company said it was trimming its work force and consolidating operations in North America to cut costs after a period of losses as personal computers snatched market share from typewriters.

Singapore officials are concerned that the number of layoffs here will rise as industry, with government encouragement, moves up the technology ladder by jettisoning labor and becoming more automated.

Yu-Poo Ye Shoon, assistant secretary-general of the National Trades Union Congress, estimates that about 500,000 workers, nearly one-third of the labor force, need retraining.

As business costs in Singapore increase, foreign and local companies that depend on cheap labor with low skills are moving to Indonesia, Malaysia and other countries in the region where wage and land costs are much lower.

Analysts say similar trends also are apparent in the other three "tiger" economies: Taiwan, Hong Kong and South Korea.

SINGAPORE — The economy's growth slowed to 7.2 percent annually in the first quarter, the government announced Tuesday, after double-digit expansions in the previous two years.

A spokesman for the Ministry of Trade and Industry, saying the slowdown was "inevitable" and not a cause for concern, affirmed the ministry's growth forecast of 7.5 percent to 8.5 percent for all of 1995.

Singapore's economy grew 10.1 percent in both 1993 and 1994, though the annual pace last year slowed from 11.9 percent in the first quarter to 8.3 percent by the fourth quarter.

Economists said business sentiment remained positive, but they voiced concern about falling productivity growth and rising business costs, which could harm Singapore's competitiveness.

Inflation, as measured by consumer prices, stood at 2.5 percent in the January-March quarter and was forecast to decline to 2 percent for all of 1995 from 3.1 percent last year.

To cut costs, manufacturers in Taiwan and Hong Kong — and in South Korea to a lesser degree — have invested heavily in China and other parts of the region in recent years. The companies that remain behind have to raise productivity by mechanizing and starting to cut jobs.

Economists said these were symptoms of an economic maturity that in Western industrial nations had led to chronic unemployment and low growth.

In Hong Kong, where the unemployment rate rose to 2.8 percent in the first quarter of 1995 from 2.2 percent a year earlier, employers are turning to cheaper labor, mainly from China.

"This level of unemployment is not alarming," said Guonan Ma, a senior economist at Peregrine Brokerage Ltd. in Hong Kong. "But it could generate social and political debates on the issue of imported labor."

In Singapore in 1994 — despite economic growth of more than 10 percent after adjustment for inflation of 3.6 percent — nearly 9,500 workers were displaced, significantly more than in 1993. Most were victims of company restructurings or relocations.

What worries officials of the government and the trades union congress, who work closely together, is that the rapidly aging labor force may end up with too many untrainable older workers and too few new recruits with the required skills.

Lee Boon Yang, the labor minister, said that as Singapore attracted more capital-intensive investment and advanced technology, it needed an increasing pool of workers with advanced skills.

"We may end up with a mismatch — retrenched un-

skilled workers from relocated industries unable to find new jobs while new high-tech employers are looking for more workers with skills," he said.

Singapore has about 300,000 workers with less than secondary-school qualifications, most of whom are over 40 years old.

The problem is being accentuated as the official retirement age for workers is raised. Two years ago, the government increased the retirement ceiling to 60 from 55, and it said it would raise it to 67 within the next decade.

The aim is to reduce the dependence of senior citizens on state welfare and the country's reliance on its more than 300,000 foreign workers.

The government is urging employers to increase training programs and workers to become more receptive to the need to constantly upgrade their skills.

"Technology is changing so fast that if we don't get our workers up to the mark, they may be out of jobs because they cannot work the new machines that come in," Lee Kuan Yew, Singapore's senior minister, said in a recent interview with the trades union congress newspaper. "There's big trouble if our workers are caught unprepared and training is not upgraded."

Singapore has set a target for companies to spend 4 percent of their payrolls on training, and it provides financial incentives for them to do so.

In 1994, the average proportion spent was 3.1 percent, up from 2.1 percent in 1993. But the bulk of the spending was by large or medium-sized companies. Those with fewer than 100 employees spent much less than the average.

Investor's Asia

Hong Kong Hang Seng		Singapore Straits Times		Tokyo Nikkei 225	
					
Exchange	Index	Tuesday Close	Prev. Close	% Change	
Hong Kong	Hang Seng	9,162.32	9,188.73	-0.30	
Singapore	Straits Times	2,183.77	2,179.87	+0.64	
Sydney	All Ordinaries	2,044.50	2,048.80	-0.21	
Tokyo	Nikkei 225	16,388.90	16,609.70	-1.33	
Kuala Lumpur	Composite	1,036.06	1,013.94	+2.18	
Bangkok	SET	1,369.26	1,360.19	-0.07	
Seoul	Composite Index	885.39	887.11	-0.20	
Taipei	Stock Market Index	5,799.88	5,828.21	-0.49	
Manila	PSE	2,769.07	2,717.94	+1.88	
Jakarta	Composite Index	463.50	461.73	+0.38	
Wellington	NZSE-40	2,142.58	2,143.50	-0.04	
Bombay	Sensitive Index	3,149.77	3,115.73	+1.09	

Source: [Telekurs](#) Source: [Reuters World Markets Data](#)

Tuesday's 4 p.m.
The 1,000 most-traded National Market securities in terms of dollar value, updated twice a year

The Associated Press.

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NAME	AGE	SEX	REL	DATE	TIME	PLACE	REMARKS
1. John Smith	25	M	H	1917	10	St. Paul	Admitted
2. Mary Jones	22	F	W	1917	11	St. Paul	Admitted
3. Robert Brown	28	M	H	1917	12	St. Paul	Admitted
4. Elizabeth White	24	F	W	1917	13	St. Paul	Admitted
5. William Black	30	M	H	1917	14	St. Paul	Admitted
6. Sarah Green	26	F	W	1917	15	St. Paul	Admitted
7. James Hall	32	M	H	1917	16	St. Paul	Admitted
8. Anna Lee	23	F	W	1917	17	St. Paul	Admitted
9. Charles King	29	M	H	1917	18	St. Paul	Admitted
10. Margaret Hill	21	F	W	1917	19	St. Paul	Admitted
11. George Young	35	M	H	1917	20	St. Paul	Admitted
12. Helen Scott	27	F	W	1917	21	St. Paul	Admitted
13. Frank Adams	31	M	H	1917	22	St. Paul	Admitted
14. Mary Baker	25	F	W	1917	23	St. Paul	Admitted
15. John Wilson	28	M	H	1917	24	St. Paul	Admitted
16. Elizabeth Davis	24	F	W	1917	25	St. Paul	Admitted
17. William Miller	30	M	H	1917	26	St. Paul	Admitted
18. Sarah Moore	26	F	W	1917	27	St. Paul	Admitted
19. James Taylor	32	M	H	1917	28	St. Paul	Admitted
20. Anna Clark	23	F	W	1917	29	St. Paul	Admitted
21. Charles Evans	29	M	H	1917	30	St. Paul	Admitted
22. Margaret Lewis	21	F	W	1917	31	St. Paul	Admitted
23. George Walker	35	M	H	1917	32	St. Paul	Admitted
24. Helen Young	27	F	W	1917	33	St. Paul	Admitted
25. Frank Scott	31	M	H	1917	34	St. Paul	Admitted
26. Mary Adams	25	F	W	1917	35	St. Paul	Admitted
27. John Baker	28	M	H	1917	36	St. Paul	Admitted
28. Elizabeth Hill	24	F	W	1917	37	St. Paul	Admitted
29. William King	30	M	H	1917	38	St. Paul	Admitted
30. Sarah Lee	26	F	W	1917	39	St. Paul	Admitted
31. James Miller	32	M	H	1917	40	St. Paul	Admitted
32. Anna Moore	23	F	W	1917	41	St. Paul	Admitted
33. Charles Taylor	29	M	H	1917	42	St. Paul	Admitted
34. Margaret Clark	21	F	W	1917	43	St. Paul	Admitted
35. George Evans	35	M	H	1917	44	St. Paul	Admitted
36. Helen Lewis	27	F	W	1917	45	St. Paul	Admitted
37. Frank Walker	31	M	H	1917	46	St. Paul	Admitted
38. Mary Young	25	F	W	1917	47	St. Paul	Admitted
39. John Scott	28	M	H	1917	48	St. Paul	Admitted
40. Elizabeth Adams	24	F	W	1917	49	St. Paul	Admitted
41. William Baker	30	M	H	1917	50	St. Paul	Admitted
42. Sarah Hill	26	F	W	1917	51	St. Paul	Admitted
43. James King	32	M	H	1917	52	St. Paul	Admitted
44. Anna Lee	23	F	W	1917	53	St. Paul	Admitted
45. Charles Miller	29	M	H	1917	54	St. Paul	Admitted
46. Margaret Moore	21	F	W	1917	55	St. Paul	Admitted
47. George Taylor	35	M	H	1917	56	St. Paul	Admitted
48. Helen Clark	27	F	W	1917	57	St. Paul	Admitted
49. Frank Evans	31	M	H	1917	58	St. Paul	Admitted
50. Mary Lewis	25	F	W	1917	59	St. Paul	Admitted
51. John Walker	28	M	H	1917	60	St. Paul	Admitted
52. Elizabeth Young	24	F	W	1917	61	St. Paul	Admitted
53. William Scott	30	M	H	1917	62	St. Paul	Admitted
54. Sarah Adams	26	F	W	1917	63	St. Paul	Admitted
55. James Baker	32	M	H	1917	64	St. Paul	Admitted

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Month	High	Low	Stack	Div	Yld	Pct	26	30	36	48	60	72	84	96	108	120	144	168	192	216	240	264	288	312	336	360	384	408	432	456	480	504	528	552	576	600	624	648	672	696	720	744	768	792	816	840	864	888	912	936	960	984	1008	1032	1056	1080	1104	1128	1152	1176	1200	1224	1248	1272	1296	1320	1344	1368	1392	1416	1440	1464	1488	1512	1536	1560	1584	1608	1632	1656	1680	1704	1728	1752	1776	1800	1824	1848	1872	1896	1920	1944	1968	1992	2016	2040	2064	2088	2112	2136	2160	2184	2208	2232	2256	2280	2304	2328	2352	2376	2400	2424	2448	2472	2496	2520	2544	2568	2592	2616	2640	2664	2688	2712	2736	2760	2784	2808	2832	2856	2880	2904	2928	2952	2976	3000	3024	3048	3072	3096	3120	3144	3168	3192	3216	3240	3264	3288	3312	3336	3360	3384	3408	3432	3456	3480	3504	3528	3552	3576	3600	3624	3648	3672	3696	3720	3744	3768	3792	3816	3840	3864	3888	3912	3936	3960	3984	4008	4032	4056	4080	4104	4128	4152	4176	4200	4224	4248	4272	4296	4320	4344	4368	4392	4416	4440	4464	4488	4512	4536	4560	4584	4608	4632	4656	4680	4704	4728	4752	4776	4800	4824	4848	4872	4896	4920	4944	4968	4992	5016	5040	5064	5088	5112	5136	5160	5184	5208	5232	5256	5280	5304	5328	5352	5376	5400	5424	5448	5472	5496	5520	5544	5568	5592	5616	5640	5664	5688	5712	5736	5760	5784	5808	5832	5856	5880	5904	5928	5952	5976	6000	6024	6048	6072	6096	6120	6144	6168	6192	6216	6240	6264	6288	6312	6336	6360	6384	6408	6432	6456	6480	6504	6528	6552	6576	6600	6624	6648	6672	6696	6720	6744	6768	6792	6816	6840	6864	6888	6912	6936	6960	6984	7008	7032	7056	7080	7104	7128	7152	7176	7200	7224	7248	7272	7296	7320	7344	7368	7392	7416	7440	7464	7488	7512	7536	7560	7584	7608	7632	7656	7680	7704	7728	7752	7776	7800	7824	7848	7872	7896	7920	7944	7968	7992	8016	8040	8064	8088	8112	8136	8160	8184	8208	8232	8256	8280	8304	8328	8352	8376	8400	8424	8448	8472	8496	8520	8544	8568	8592	8616	8640	8664	8688	8712	8736	8760	8784	8808	8832	8856	8880	8904	8928	8952	8976	9000	9024	9048	9072	9096	9120	9144	9168	9192	9216	9240	9264	9288	9312	9336	9360	9384	9408	9432	9456	9480	9504	9528	9552	9576	9600	9624	9648	9672	9696	9720	9744	9768	9792	9816	9840	9864	9888	9912	9936	9960	9984	10008	10032	10056	10080	10104	10128	10152	10176	10200	10224	10248	10272	10296	10320	10344	10368	10392	10416	10440	10464	10488	10512	10536	10560	10584	10608	10632	10656	10680	10704	10728	10752	10776	10800	10824	10848	10872	10896	10920	10944	10968	10992	11016	11040	11064	11088	11112	11136	11160	11184	11208	11232	11256	11280	11304	11328	11352	11376	11400	11424	11448	11472	11496	11520	11544	11568	11592	11616	11640	11664	11688	11712	11736	11760	11784	11808	11832	11856	11880	11904	11928	11952	11976	12000	12024	12048	12072	12096	12120	12144	12168	12192	12216	12240	12264	12288	12312	12336	12360	12384	12408	12432	12456	12480	12504	12528	12552	12576	12600	12624	12648	12672	12696	12720	12744	12768	12792	12816	12840	12864	12888	12912	12936	12960	12984	13008	13032	13056	13080	13104	13128	13152	13176	13200	13224	13248	13272	13296	13320	13344	13368	13392	13416	13440	13464	13488	13512	13536	13560	13584	13608	13632	13656	13680	13704	13728	13752	13776	13800	13824	13848	13872	13896	13920	13944	13968	13992	14016	14040	14064	14088	14112	14136	14160	14184	14208	14232	14256	14280	14304	14328	14352	14376	14400	14424	14448	14472	14496	14520	14544	14568	14592	14616	14640	14664	14688	14712	14736	14760	14784	14808	14832	14856	14880	14904	14928	14952	14976	15000	15024	15048	15072	15096	15120	15144	15168	15192	15216	15240	15264	15288	15312	15336	15360	15384	15408	15432	15456	15480	15504	15528	15552	15576	15600	15624	15648	15672	15696	15720	15744	15768	15792	15816	15840	15864	15888	15912	15936	15960	15984	16008	16032	16056	16080	16104	16128	16152	16176	16200	16224	16248	16272	16296	16320	16344	16368	16392	16416	16440	16464	16488	16512	16536	16560	16584	16608	16632	16656	16680	16704	16728	16752	16776	16800	16824	16848	16872	16896	16920	16944	16968	16992	17016	17040	17064	17088	17112	17136	17160	17184	17208	17232	17256	17280	17304	17328	17352	17376	17400	17424	17448	17472	17496	17520	17544	17568	17592	17616	17640	17664	17688	17712	17736	17760	17784	17808	17832	17856	17880	17904	17928	17952	17976	18000	18024	18048	18072	18096	18120	18144	18168	18192	18216	18240	18264	18288	18312	18336	18360	18384	18408	18432	18456	18480	18504	18528	18552	18576	18600	18624	18648	18672	18696	18720	18744	18768	18792	18816	18840	18864	18888	18912	18936	18960	18984	19008	19032	19056	19080	19104	19128	19152	19176	19200	19224	19248	19272	19296	19320	19344	19368	19392	19416	19440	19464	19488	19512	19536	19560	19584	19608	19632	19656	19680	19704	19728	19752	19776	19800	19824	19848	19872	19896	19920	19944	19968	19992	20016	20040	20064	20088	20112	20136	20160	20184	20208	20232	20256	20280	20304	20328	20352	20376	20400	20424	20448	20472	20496	20520	20544	20568	20592	20616	20640	20664	20688	20712	20736	20760	20784	20808	20832	20856	20880	20904	20928	20952	20976	21000	21024	21048	21072	21096	21120	21144	21168	21192	21216	21240	21264	21288	21312	21336	21360	21384	21408	21432	21456	21480	21504	21528	21552	21576	21600	21624	21648	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Country	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403	2404	2405	2406	2407	2408	2409	2410	2411	2412	2413	2414	2415	2416	2417	2418	2419	2420	2421	2422	2423	2424	2425	2426	2427	2428	2429	2430	2431	2432	2433	2434	2435	2436	2437	2438	2439	2440	2441	2442	2443	2444	2445	2446	2447	2448	2449	2450	2451	2452	2453	2454	2455	2456	2457	2458	2459	2460	2461	2462	2463	2464	2465	2466	2467	2468	2469	2470	2471	2472	2473	2474	2475	2476	2477	2478	2479	2480	2481	2482	2483	2484	2485	2486	2487	2488	2489	2490	2491	2492	2493	2494	2495	2496	2497	2498	2499	2500	2501	2502	2503	2504	2505	2506	2507	2508	2509	2510	2511	2512	2513	2514	2515	2516	2517	2518	2519	2520	2521	2522	2523	2524	2525	2526	2527	2528	2529	2530	2531	2532	2533	2534	2535	2536	2537	2538	2539	2540	2541	2542	2543	2544	2545	2546	2547	2548	2549	2550	2551	2552	2553	2554	2555	2556	2557	2558	2559	2560	2561	2562	2563	2564	2565	2566	2567	2568	2569	2570	2571	2572	2573	2574	2575	2576	2577	2578	2579	2580	2581	2582	2583	2584	2585	2586	2587	2588	2589	2590	2591	2592	2593	2594	2595	2596	2597	2598	2599	2600	2601	2602	2603	2604	2605	2606	2607	2608	2609	2610	2611	2612	2613	2614	2615	2616	2617	2618	2619	2620	2621	2622	2623	2624	2625	2626	2627	2628	2629	2630	2631	2632	2633	2634	2635	2636	2637	2638	2639	2640	2641	2642	2643	2644	2645	2646	2647	2648	2649	2650	2651	2652	2653	2654	2655	2656	2657	2658	2659	2660	2661	2662	2663	2664	2665	2666	2667	2668	2669	2670	2671	2672	2673	2674	2675	2676	2677	2678	2679	2680	2681	2682	2683	2684	2685	2686	2687	2688	2689	2690	2691	2692	2693	2694	2695	2696	2697	2698	2699	2700	2701	2702	2703	2704	2705	2706	2707	2708	2709	2710	2711	2712	2713	2714	2715	2716	2717	2718	2719	2720	2721	2722	2723	2724	2725	2726	2727	2728	2729	2730	2731	2732	2733	2734	2735	2736	2737	2738	2739	2740	2741	2742	2743	2744	2745	2746	2747	2748	2749	2750	2751	2752	2753	2754	2755	2756	2757	2758	2759	2760	2761	2762	2763	2764	2765	2766	2767	2768	2769	2770	2771	2772	2773	2774	2775	2776	2777	2778	2779	2780	2781	2782	2783	2784	2785	2786	2787	2788	2789	2790	2791	2792	2793	2794	2795	2796	2797	2798	2799	2800	2801	2802	2803	2804	2805	2806	2807	2808	2809	2810	2811	2812	2813	2814	2815	2816	2817	2818	2819	2820	2821	2822	2823	2824	2825	2826	2827	2828	2829	2830	2831	2832	2833	2834	2835	2836	2837	2838	2839	2840	2841	2842	2843	2844	2845	2846	2847	2848	2849	2850	2851	2852	2853	2854	2855	2856	2857	2858	2859	2860	2861	2862	2863	2864	2865	2866	2867	2868	2869	2870	2871	2872	2873	2874	2875	2876	2877	2878	2879	2880	2881	2882	2883	2884	2885	2886	2887	2888	2889	2890	2891	2892	2893	2894	2895	2896	2897	2898	2899	2900	2901	2902	2903	2904	2905	2906	2907	2908	2909	2910	2911	2912	2913	2914	2915	2916	2917	2918	2919	2920	2921	2922	2923	2924	2925	2926	2927	2928	2929	2930	2931	2932	2933	2934	2935	2936	2937	2938	2939	2940	2941	2942	2943	2944	2945	2946	2947	2948	2949	2950	2951	2952	2953	2954	2955	2956	2957	29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---------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------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[illegible]

1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100
1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100

[illegible]

1970	U.S.S.R.	1.00	1000
1971	U.S.S.R.	1.00	1000
1972	U.S.S.R.	1.00	1000
1973	U.S.S.R.	1.00	1000
1974	U.S.S.R.	1.00	1000
1975	U.S.S.R.	1.00	1000
1976	U.S.S.R.	1.00	1000
1977	U.S.S.R.	1.00	1000
1978	U.S.S.R.	1.00	1000
1979	U.S.S.R.	1.00	1000
1980	U.S.S.R.	1.00	1000
1981	U.S.S.R.	1.00	1000
1982	U.S.S.R.	1.00	1000
1983	U.S.S.R.	1.00	1000
1984	U.S.S.R.	1.00	1000
1985	U.S.S.R.	1.00	1000
1986	U.S.S.R.	1.00	1000
1987	U.S.S.R.	1.00	1000
1988	U.S.S.R.	1.00	1000
1989	U.S.S.R.	1.00	1000
1990	U.S.S.R.	1.00	1000
1991	U.S.S.R.	1.00	1000
1992	U.S.S.R.	1.00	1000
1993	U.S.S.R.	1.00	1000
1994	U.S.S.R.	1.00	1000
1995	U.S.S.R.	1.00	1000
1996	U.S.S.R.	1.00	1000
1997	U.S.S.R.	1.00	1000
1998	U.S.S.R.	1.00	1000
1999	U.S.S.R.	1.00	1000
2000	U.S.S.R.	1.00	1000
2001	U.S.S.R.	1.00	1000
2002	U.S.S.R.	1.00	1000
2003	U.S.S.R.	1.00	1000
2004	U.S.S.R.	1.00	1000
2005	U.S.S.R.	1.00	1000
2006	U.S.S.R.	1.00	1000
2007	U.S.S.R.	1.00	1000
2008	U.S.S.R.	1.00	1000
2009	U.S.S.R.	1.00	1000
2010	U.S.S.R.	1.00	1000
2011	U.S.S.R.	1.00	1000
2012	U.S.S.R.	1.00	1000
2013	U.S.S.R.	1.00	1000
2014	U.S.S.R.	1.00	1000
2015	U.S.S.R.	1.00	1000
2016	U.S.S.R.	1.00	1000
2017	U.S.S.R.	1.00	1000
2018	U.S.S.R.	1.00	1000
2019	U.S.S.R.	1.00	1000
2020	U.S.S.R.	1.00	1000
2021	U.S.S.R.	1.00	1000
2022	U.S.S.R.	1.00	1000
2023	U.S.S.R.	1.00	1000
2024	U.S.S.R.	1.00	1000
2025	U.S.S.R.	1.00	1000
2026	U.S.S.R.	1.00	1000
2027	U.S.S.R.	1.00	1000
2028	U.S.S.R.	1.00	1000
2029	U.S.S.R.	1.00	1000
2030	U.S.S.R.	1.00	1000
2031	U.S.S.R.	1.00	1000
2032	U.S.S.R.	1.00	1000
2033	U.S.S.R.	1.00	1000
2034	U.S.S.R.	1.00	1000
2035	U.S.S.R.	1.00	1000
2036	U.S.S.R.	1.00	1000
2037	U.S.S.R.	1.00	1000
2038	U.S.S.R.	1.00	1000
2039	U.S.S.R.	1.00	1000
2040	U.S.S.R.	1.00	1000
2041	U.S.S.R.	1.00	1000
2042	U.S.S.R.	1.00	1000
2043	U.S.S.R.	1.00	1000
2044	U.S.S.R.	1.00	1000
2045	U.S.S.R.	1.00	1000
2046	U.S.S.R.	1.00	1000
2047	U.S.S.R.	1.00	1000
2048	U.S.S.R.	1.00	1000
2049	U.S.S.R.	1.00	1000
2050	U.S.S.R.	1.00	1000
2051	U.S.S.R.	1.00	1000
2052	U.S.S.R.	1.00	1000
2053	U.S.S.R.	1.00	1000
2054	U.S.S.R.	1.00	1000
2055	U.S.S.R.	1.00	1000
2056	U.S.S.R.	1.00	1000
2057	U.S.S.R.	1.00	1000
2058	U.S.S.R.	1.00	1000
2059	U.S.S.R.	1.00	1000
2060	U.S.S.R.	1.00	1000
2061	U.S.S.R.	1.00	1000
2062	U.S.S.R.	1.00	1000
2063	U.S.S.R.	1.00	1000
2064	U.S.S.R.	1.00	1000
2065	U.S.S.R.	1.00	1000
2066	U.S.S.R.	1.00	1000
2067	U.S.S.R.	1.00	1000
2068	U.S.S.R.	1.00	1000

Tuesday's 4 p.m. Close

(Continued)

[illegible][illegible]

12 Month	Div	Yld PE	52 Wk High	Low	Latest C
71.1	36.40	1.14	202.00	121.00	121.00
70.9	36.40	1.14	202.00	121.00	121.00
70.8	36.40	1.14	202.00	121.00	121.00
70.7	36.40	1.14	202.00	121.00	121.00
70.6	36.40	1.14	202.00	121.00	121.00
70.5	36.40	1.14	202.00	121.00	121.00
70.4	36.40	1.14	202.00	121.00	121.00
70.3	36.40	1.14	202.00	121.00	121.00
70.2	36.40	1.14	202.00	121.00	121.00
70.1	36.40	1.14	202.00	121.00	121.00
70.0	36.40	1.14	202.00	121.00	121.00
69.9	36.40	1.14	202.00	121.00	121.00
69.8	36.40	1.14	202.00	121.00	121.00
69.7	36.40	1.14	202.00	121.00	121.00
69.6	36.40	1.14	202.00	121.00	121.00
69.5	36.40	1.14	202.00	121.00	121.00
69.4	36.40	1.14	202.00	121.00	121.00
69.3	36.40	1.14	202.00	121.00	121.00
69.2	36.40	1.14	202.00	121.00	121.00
69.1	36.40	1.14	202.00	121.00	121.00
69.0	36.40	1.14	202.00	121.00	121.00
68.9	36.40	1.14	202.00	121.00	121.00
68.8	36.40	1.14	202.00	121.00	121.00
68.7	36.40	1.14	202.00	121.00	121.00
68.6	36.40	1.14	202.00	121.00	121.00
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68.0	36.40	1.14	202.00	121.00	121.00
67.9	36.40	1.14	202.00	121.00	121.00
67.8	36.40	1.14	202.00	121.00	121.00
67.7	36.40	1.14	202.00	121.00	121.00
67.6	36.40	1.14	202.00	121.00	121.00
67.5	36.40	1.14	202.00	121.00	121.00
67.4	36.40	1.14	202.00	121.00	121.00
67.3	36.40	1.14	202.00	121.00	121.00
67.2	36.40	1.14	202.00	121.00	121.00
67.1	36.40	1.14	202.00	121.00	121.00
67.0	36.40	1.14	202.00	121.00	121.00
66.9	36.40	1.14	202.00	121.00	121.00
66.8	36.40	1.14	202.00	121.00	121.00
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66.5	36.40	1.14	202.00	121.00	121.00
66.4	36.40	1.14	202.00	121.00	121.00
66.3	36.40	1.14	202.00	121.00	121.00
66.2	36.40	1.14	202.00	121.00	121.00
66.1	36.40	1.14	202.00	121.00	121.00
66.0	36.40	1.14	202.00	121.00	121.00
65.9	36.40	1.14	202.00	121.00	121.00
65.8	36.40	1.14	202.00	121.00	121.00
65.7	36.40	1.14	202.00	121.00	121.00
65.6	36.40	1.14	202.00	121.00	121.00
65.5	36.40	1.14	202.00	121.00	121.00
65.4	36.40	1.14	202.00	121.00	121.00
65.3	36.40	1.14	202.00	121.00	121.00
65.2	36.40	1.14	202.00	121.00	121.00
65.1	36.40	1.14	202.00	121.00	121.00
65.0	36.40	1.14	202.00	121.00	121.00
64.9	36.40	1.14	202.00	121.00	121.00
64.8	36.40	1.14	202.00	121.00	121.00
64.7	36.40	1.14	202.00	121.00	121.00
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64.4	36.40	1.14	202.00	121.00	121.00
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64.0	36.40	1.14	202.00	121.00	121.00
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63.5	36.40	1.14	202.00	121.00	121.00
63.4	36.40	1.14	202.00	121.00	121.00
63.3	36.40	1.14	202.00	121.00	121.00
63.2	36.40	1.14	202.00	121.00	121.00
63.1	36.40	1.14	202.00	121.00	121.00
63.0	36.40	1.14	202.00	121.00	121.00
62.9	36.40	1.14	202.00	121.00	121.00
62.8	36.40	1.14	202.00	121.00	121.00
62.7	36.40	1.14	202.00	121.00	121.00
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61.4	36.40	1.14	202.00	121.00	121.00
61.3	36.40	1.14	202.00	121.00	121.00
61.2	36.40	1.14	202.00	121.00	121.00
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61.0	36.40	1.14	202.00	121.00	121.00
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60.7	36.40	1.14	202.00	121.00	121.00
60.6	36.40	1.14	202.00	121.00	121.00
60.5	36.40	1.14	202.00	121.00	121.00
60.4	36.40	1.14	202.00	121.00	121.00
60.3	36.40	1.14	202.00	121.00	121.00
60.2	36.40	1.14	202.00	121.00	121.00
60.1	36.40	1.14	202.00	121.00	121.00
60.0	36.40	1.14	202.00	121.00	121.00
59.9	36.40	1.14	202.00	121.00	121.00
59.8	36.40	1.14	202.00	121.00	121.00
59.7	36.40	1.14	202.00	121.00	121.00
59.6	36.40	1.14	202.00	121.00	121.00
59.5	36.40	1.14	202.00	121.00	121.00
59.4	36.40	1.14	202.00	121.00	121.00
59.3	36.40	1.14	202.00	121.00	121.00
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59.0	36.40	1.14	202.00	121.00	121.00
58.9	36.40	1.14	202.00	121.00	121.00
58.8	36.40	1.14	202.00	121.00	121.00
58.7	36.40	1.14	202.00	121.00	121.00
58.6	36.40	1.14	202.00	121.00	121.00
58.5	36.40	1.14	202.00	121.00	121.00
58.4	36.40	1.14	202.00	121.00	121.00
58.3	36.40	1.14	202.00	121.00	121.00
58.2	36.40	1.14	202.00	121.00	121.00
58.1	36.40	1.14	202.00	121.00	121.00
58.0	36.40	1.14	202.00	121.00	121.00
57.9	36.40	1.14	202.00	121.00	121.00
57.8	36.40	1.14	202.00	121.00	121.00
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57.2	36.40	1.14	202.00	121.00	121.00
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57.0	36.40	1.14	202.00	121.00	121.00
56.9	36.40	1.14	202.00	121.00	121.00
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56.2	36.40	1.14	202.00	121.00	121.00
56.1	36.40	1.14	202.00	121.00	121.00
56.0	36.40	1.14	202.00	121.00	121.00
55.9	36.40	1.14	202.00	121.00	121.00
55.8	36.40	1.14	202.00	121.00	121.00
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54.3	36.40	1.14	202.00	121.00	121.00
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54.1	36.40	1.14	202.00	121.00	121.00
54.0	36.40	1.14	202.00	121.00	121.00
53.9	36.40	1.14	202.00	121.00	121.00
53.8	36.40	1.14	202.00	121.00	121.00
53.7	36.40	1.14	202.00	121.00	121.00
53.6	36.40	1.14	202.00	121.00	121.00
53.5	36.40	1.14	202.00	121.00	121.00
53.4	36.40	1.14	202.00	121.00	121.00
53.3	36.40	1.14	202.00	121.00	121.00
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52.9	36.40	1.14	202.00	121.00	121.00
52.8	36.40	1.14	202.00	121.00	121.00
52.7	36.40	1.14	202.00	121.00	121.00
52.6	36.40	1.14	202.00	121.00	121.00
52.5	36.40	1.14	202.00	121.00	121.00
52.4	36.40	1.14	202.00	121.00	121.00
52.3	36.40	1.14	202.00	121.00	121.00
52.2	36.40	1.14	202.00	121.00	121.00
52.1	36.40	1.14	202.00	121.0	

Month	Year	Track	Dist	Yrs	Per	100%	Stk	High	Low	Latest
1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057
2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068
2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079
2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090
2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101
2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112
2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123
2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134
2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145
2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156
2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167
2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178
2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189
2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200
2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211
2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222
2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233
2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244
2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255
2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266
2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277
2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288
2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299
2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310
2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321
2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332
2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343
2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354
2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365
2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376
2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387
2388										

[illegible]

12 Month High Low Stock	Low	High
100	100	100
90	90	90
80	80	80
70	70	70
60	60	60
50	50	50
40	40	40
30	30	30
20	20	20
10	10	10
0	0	0

TELECOMMUNICATIONS & DEVELOPMENT

RIDING THE INFORMATION HIGHWAY IS ESSENTIAL TO SUCCESS IN 21ST CENTURY

Economic development depends on reaching the 50 percent of the world that has never made a phone call.

The international telephone network has often been described as the world's largest machine. There are close to 1 billion telephones in use worldwide, almost every one of which can be used to dial any one of the others. And the call, whether across the street or across the globe, will be put through within seconds.

In addition to ordinary fixed telephones, many other telecommunication tools are playing an increasingly important role in our lives, ranging from fax machines and mobile phones to hole-in-the-wall automatic teller machines or computer-to-computer links via the Internet. Our work and social lives would be radically different if it were not for telecommunications.

Yet 50 percent of the world has never made a phone call. For the most part, that 50 percent lies south of the Mediterranean.

The North-South divide affects all sorts of things, of course, besides telecommunications. And there are priorities ahead of good telecommunications, such as a sufficient supply of good food and water, shelter and clothing. But all too often the value of telecommunications in developing economies is underestimated.

Just as railroads were seen as the key to economic development in the 19th century and roads and highways for the best part of the 20th century, telecommunications is increasingly being recognized as the key to successful economic development in the information society of the 21st century.

Vital in emergencies

The telephone is not just a socially useful tool. It is key to health care — medical help is only effective if a doctor can be reached quickly; it is fundamental to all sorts of commercial activities, ranging from finding a plumber to repairing a broken tap to trading stocks and shares; and it is vital in emergencies. One of the first things U.S. forces did when they began their relief operation in Somalia, for example, was to set up a mobile phone system because the local telephone infrastructure was inadequate.

The big question is how to finance the necessary development. According to the World Bank, some \$55 billion (about 10 percent of the world's annual spending on telecommunications) will be needed every year over the next six years to build up basic networks in the developing countries and the former Eastern bloc. Opinions vary markedly about how that money is to be found.

The high-income countries, which account for 15 percent

of the global population, have 71 percent of the world's telephone lines, according to studies carried out by the International Telecommunications Union, the United Nations body charged with regulating the world's telecommunications. In those countries, the necessary infrastructure has been largely self-financing.

Revenue generated

The revenues generated by the use of telecommunications in the developed countries more than adequately pays for the equipment used. The 24 countries belonging to the Organization for Economic Cooperation and Development generate 85 percent of the world's telecommunication service revenues. In fact, this income provides an impressive additional source of income for the states involved — in the form of a shareholder's dividend, a levy or through taxes.

In the developing world, the countries in most desperate need of telecommunications infrastructures simply cannot afford to pay for the initial push toward integration into the global market. Without that integration, they are unlikely to earn the money to pay for the infrastructure — a classic Catch 22 situation.

In addition, given the colonial histories of many developing countries, their governments are often reluctant to liberalize the telecommunications sector, fearing a new form of exploitation from the North. That has the effect of making these countries undesirable as a place for foreigners to make the necessary investments — another Catch 22.

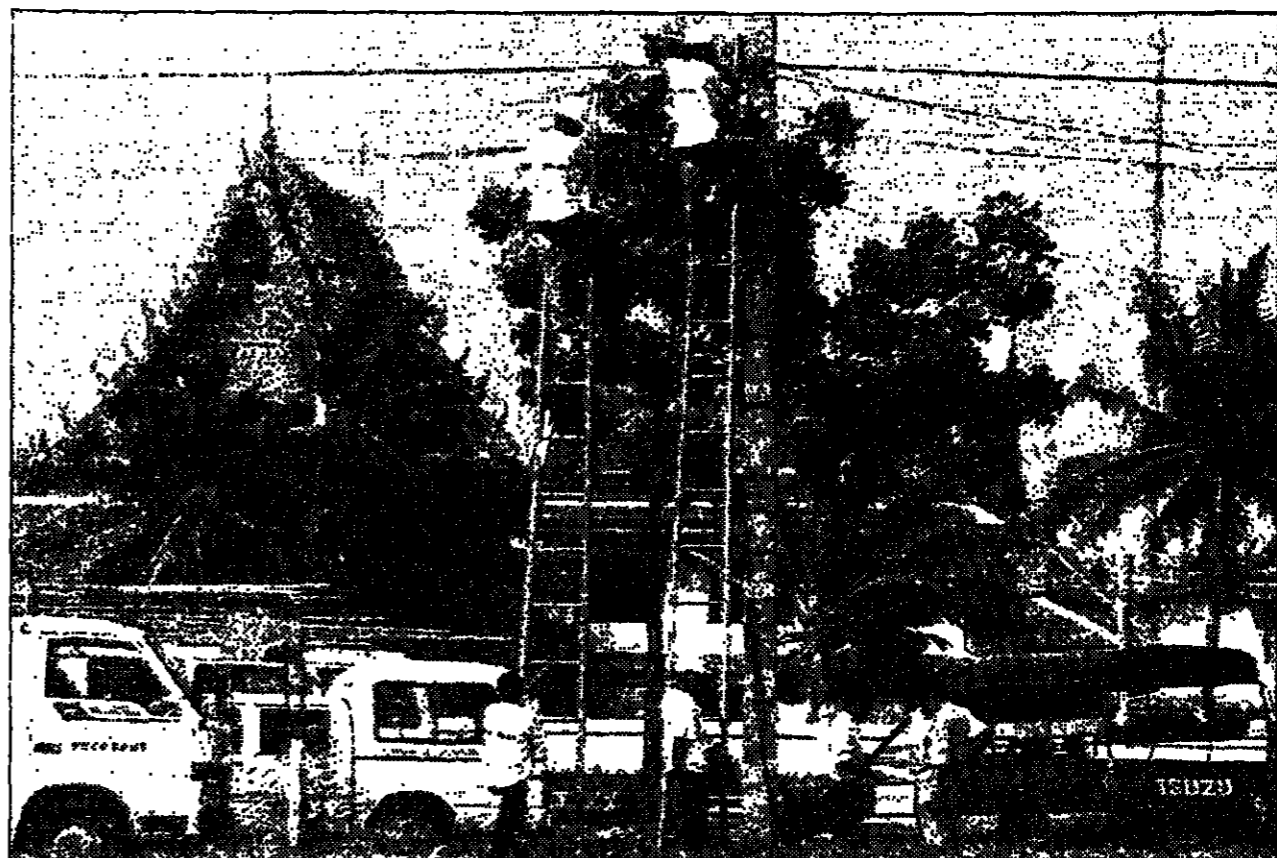
Making an impact

Those are the problems, but what are the solutions?

One option may be to divert some of the aid and investment finance already going south away from roads and dams and into telecoms. This is already being done to some degree, but the volumes involved are nowhere near enough to make any real impact. Telecommunications infrastructure does not come cheap.

Another option may be to offer as aid some of the still very usable analogue equipment currently being decommissioned in the richer countries to make room for digital technology. This option sounds patronizing — but what else is development aid?

A third option may be to risk the exploitation that liberalization might bring in the hope of achieving the benefits of a better telecoms infrastructure. The most desirable option would be some form of self-help.



Some \$55 billion will be needed every year over the next six years to build up basic networks in developing countries.

A number of studies on the development of infrastructure around the world have shown that the single most important factor appears to be the ability of the local telecoms authority to reinvest its profits into the network. The North has often done the best job of building a network and keeping it abreast of technological advances, but this does not always happen in the Southern Hemisphere. The profits often go into a general treasury and get spent elsewhere, and the countries have to look continually to outside funds that are often not available.

This may be changing, however. Over the last few years, there have been some grounds for optimism.

Inward investment

In Central and South America in particular there has been a considerable shift of development emphasis toward telecommunications in recent years. And governments there have not avoided foreign assistance.

Five years ago, Chile and Mexico had some six telephone lines to cater to every hundred head of population. Privatization and liberalization programs in both countries have brought considerable inward investment, and both countries have more or less managed to double telephone line penetration.

Technology is helping, too. Cellular mobile telephone networks are relatively cheap and quick to build. Many developing countries have now licensed joint ventures between local and foreign organizations to build and operate such networks.

The hope is that, once revenues start to flow from such ventures, the profits will be plowed back into improving the telecommunications infrastructure and that telecommunications will become available to more than the privileged few. The resulting benefits for the economy could then become a major factor in narrowing the North-South divide.

Peter Parton

In the new world of communications networks,
one word stands for change.

NORTEL

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NORTEL
A World of Networks

TELECOMMUNICATIONS AND DEVELOPMENT

PRIVATIZATION CAN BRING MANY-SIDED BENEFITS

The sale of nationalized telecoms offers more than just cash for asset-starved governments.

The number of countries privatizing all or portions of their telecommunications authorities is set to reach a new peak this year.

During the first four years of the 1990s, in countries that included the Netherlands and Hungary, the partial or complete sale to investors of publicly owned telecoms represented the cornerstone of many national privatization programs.

This trend is still gathering steam. Set for sale in 1995 are stakes or financial interests in the telecoms in Thailand, Pakistan, the Czech and Slovak Republics, Turkey, Nigeria, Portugal, Italy, Pakistan and probably Indonesia and Belgium. Each of these deals is dominated in billions of dollars, but the real blockbuster has been tabled for 1996: the public offering of Germany's Deutsche Telekom

AG, which will be the largest transaction of its kind in the country's history.

The willingness of these governments to part with their telecoms seems paradoxical. The telecoms are, after all, the most productive and reliable of all state-owned cash cows, along with national lotteries and tobacco monopolies.

A need for cash partially accounts for this willingness. No matter how rocky the country's economic and political situation is, or how listlessly its privatization program is unfolding, the telecoms are sure-fire sellers, and thus often the main salable assets of cash-starved governments.

Diversity of forms

The main reason for the government enthusiasm, however, is often the useful diversity of forms these transac-

tions can assume. A telecom privatization can be configured to allow the national government to retain a controlling "golden share," as in Hungary. It can even be carried out without any final relinquishing of public-sector ownership of the telecom, as in Nigeria's planned "contract leasing" arrangement.

Privatization can be done on a one-step-at-a-time basis, with the individual size and price of the equity tranches being set to meet prevailing market and political circumstances. Germany (the first tranche of Deutsche Telekom's stock offering will yield 15 billion Deutsche marks, the equivalent of \$10.95 billion), Italy, Pakistan and Belgium are prominent examples.

Privatization can even be structured to occur without causing any immediate change in the telecom's op-

erations. While waiting for its privatization to make it through various negotiations, Belgacom is set to receive a large infusion of private capital via the issuing of bonds. Latvia's telecom has entered into a joint venture whose scope and scale far exceed the country's previous telecom operations.

Equally gratifying to national governments are the ancillary benefits issuing from successful privatizations. These often include the boosting of share ownership by the "common people," and access to advanced technologies and the expertise required to operate them.

Rates of growth

The benefit to investors is often clear. "An apparently failure-proof investment" is how Germany's business daily, Handelsblatt, recently

described the country's telecom privatization. It cited the strong rates of annual growth of the world's telecom markets. The newspaper also lauded the unequalled "transparency" inherent in the telecoms sector — because telecom transactions are relayed via central technical units, they are easy to monitor.

The fact that the monopolies enjoyed by the national telecoms in their core areas of operation — standard speech and fax services — are often coming to an end exposes some of the privatized telecoms to fierce competition. Originally scheduled for 1998 for EU member countries, the dismantling of these monopolies has been moved up in nearly all European countries.

Competition is also growing from mobile telephony and satellite-based and com-



The public offering of Deutsche Telekom will be the largest transaction of its kind in Germany's history.

puter-based systems, all of which have generally been open to private-sector suppliers from their inception. The track records of previously privatized telecoms show an unexpected adeptness in entering new national and sectoral markets.

British Telecom, which in 1984 became the first of Eu-

rope's major telecoms to be privatized, is forecasting a 21 percent rate of profitability for the 1994-95 financial year. It is active in many of the world's national and sectoral communication markets, including the U.S. (through a stake in MCI), in Germany (through its Viag InterKom joint venture) and

in Europe's transnational financial services sector (through its stake in Spain's Banco Santander).

BT also operates Great Britain's Cellnet mobile telephone network, which registered a 40 percent rate of subscriber growth in 1994.

Terry Swartzberg

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During Telecom 95 (Geneva, Oct. 3-11, 1995), the IHT will publish a Special Report followed by seven Sponsored Sections in its worldwide edition.

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As a complement to the print supplements, the IHT plans to publish a multimedia CD-ROM called Tracking Telecoms. The IHT will also benefit from special distribution at the show and at hotels in and around Geneva.

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For a full description of the Tracking Telecoms project please contact:

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Tracking Telecoms via the



THE WORLD'S DAILY NEWSPAPER

CHINA PREPARES TECHNOLOGY LEAP

The big opportunities are in the equipment market.

Over the last 15 years, communications systems have helped pull China out of isolationism and into the modern world, and industry experts now hail China as the world's most significant telecom market.

Now China telecoms czars have set themselves even more ambitious targets, adding new lines at the rate of 12 million a year as part of a government drive to double the present capacity by 2000.

The thirst for better communications means the Ministry of Posts and Telecommunications and its new rival, China Unicom, have turned few foreign companies away. They are looking for increased investment from companies like Motorola, which currently leads China sales of mobile communications equipment, and Finnish Nokia, its chief rival, as well as AT&T, Siemens, Canada's Northern Telecom, Japanese giant NEC and France's Alcatel. Total foreign investment is expected to reach \$1.5 billion in 1995 alone, with \$7.7 billion predicted for the next five years, 15-18 percent of total investment in the sector.

"China's telecoms and information industry are still very backward," says Minister of Posts and Telecommunications Wu Jichuan. "But they are in the heyday of development. The market potential is tremendous."

As far as foreign companies are concerned, the best market potential requires that foreign entrance be allowed into the general telecoms market. At present, foreign investment is allowed only in the telecommunications equipment market, and this policy is not likely to change in the near future.

New competition

Instead, reform is coming from a newly kindled competition between traditional monopoly-holder MPT and China Unicom, a joint venture between railways, electronics, power and other enterprises with access to telecoms networks. Between the two, and with the help of foreign technology, China plans to create one of the most technologically advanced digital communications systems in the world.

The installation of 100 million digital switching systems by the year 2000 and the expenditure of over \$40 billion in the telecom sector are just the beginning of the bonanza. Liu Cai, head of MPT's Policy and Regulations Department, predicts that 30 percent to 40 percent of all urban residents and 6 percent to 8 percent of all households nationwide will have telephone service by the turn of the century, with a total of approximately 114 million lines.

AT&T alone will spend more than \$150 million over the next two years, doubling its present China work force of 1,000 and helping China build an "information superhighway." This high-speed digital system transmitting voice, image, data and video and linking Hong Kong and Guangdong Province will bring China closer to the advanced communications countries of the Western world.

Nick Driver

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TELECOMMUNICATIONS AND DEVELOPMENT

INTERNET BOOM SENDS MESSAGE TO ENTERPRISES: GET CONNECTED

In a few years, there may be more people talking to each other on Internet than on the telephone.

As a tool for development, the Internet almost defies description. Since its inception some 14 years ago, the Internet has exploded from a small community of academics and government agencies who shared their information resources to a mass system open to anyone who provides, uses, promotes or funds information systems and infrastructure.

"Explosion" is an understatement. In the first years of its existence, the Internet had about 2,000 hosts, or discrete systems, as participants. In the last eight years, this number increased to 1 million. And in five years from now, the Internet Society estimates, the number of hosts will reach 100 million.

Traffic on one Internet service alone, the World Wide Web, grew at the rate of 341,000 percent in 1993. If this growth pattern persists, reports Anthony Rutkowski, executive director of the Internet Society, "some have calculated that in three years Web traffic will exceed the total world voice communication traffic." In other words, there will be more people talking to each other on the Internet than on the telephone.

"We are watching it grow before our eyes," Mr. Rutkowski says.

Commercial nature

Although most early Internet activity and innovation occurred in the United States, 98 percent of network growth in 1994 took place elsewhere. Traffic is currently being routed to networks in more than 90 countries, and the overwhelming majority of these are commercial in nature.

Europe and the Asia-Pacific region have shown the greatest amount of activity, especially in countries with large GNPs.

Peripheral networks, such as France's Minitel, Apple's AppleLink, and e-mail linkages from AT&T, MCI and others have extended the Internet's reach to 168 countries, roughly 30 million people and almost five million individual computers. The implications of such extensive global communications include using the Internet for development in less industrialized countries, even in those in which computer and telephone penetration are scarce.

Indicators for mass "Internetability" include the number of PCs per 1,000 population, the percentage of homes with PCs and the percentage of homes with modems. In all three indicators, the United States leads Europe and Japan, though in the percentage of homes with modems, Japan comes close to the United States. The rest of the world trails far behind.

Technological base

David Moschella, senior vice president of International Data Corp., an industry research group, says, "The value of Internet for developing countries is not in the home, but in business. It makes it easier for businesses to send and receive information. Among such countries, Mexico and Brazil, with their consolidated telecommunications industries, have no trouble in connecting. All they need is a standard phone link. Eastern Europe is another developing area where the Internet should have early success. The technological base there is strong, and links existed from Russian universities to the West even during the Cold War."

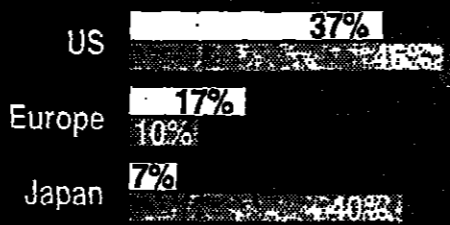
China has its own Internet link, Cernet, accessible in 700 cities via local dial calls. Plans are under way to link the country's more than 1,000 universities by the end of the decade. According to Cernet's chief, Wu Jianping, technical means have been implemented to eliminate user access to pornography or what are considered politically disruptive ideas.

This underscores the political problems that stand in the way of Internet access in some developing areas. Because computers and peripherals are an essential component of Internet growth, national practices that heavily tax and restrict computer imports have a negative effect on Internet diffusion. Highly regulated, often expensive telephone systems also impede growth, which partly explains why the Internet has not grown as quickly in Europe as it has in the United States. Loss of information control is an aspect of Internet growth most feared by unstable governments.

These issues will be examined in June at the Internet Society's 1995 International Networking Conference and in October at the International Telecommunication Union's Telecom '95 show/conference. October 8 has been designated Development Day.

GLOBAL COMPETITIVENESS

Internet activity will expand as more and more homes have personal computers and modems.



Homes with PC
PC homes with modem

EXECUTIVE TOY OR DEVELOPMENT TOOL?

Some 40 percent of new lines being installed in developing countries are using cellular technology.

In the industrialized world, the sight of someone talking animatedly on a cordless phone on the street or in a car has become commonplace. It is hard to remember that the concept of cellular radio phone systems was first conceived only 25 years ago and that cellular networks have existed commercially only since 1981.

Since that date, the number of cellular subscribers worldwide has grown from zero to 40 million. According to Per Bengtsson, a spokesman for Ericsson, a leading supplier of mobile telephones, there will be 160 million to 200 million subscribers in over 120 countries within the next five years. By that time, mobile networks are likely to have more subscribers than today's fixed public networks.

Currently, the leaders in cellular phone use are the Scandinavians, with penetration in Sweden, Finland and Norway exceeding the 10 percent mark, seen as the threshold to the mass market. Below that level, experts believe, tariffs and terminal prices will remain high, and cellular phones will continue as executive perks rather than essentials for consumers and small businesses.

Significantly, some 40 percent of new lines being installed in developing countries are using cellular technology. For example, in the last year alone the People's Republic of China agreed to buy Ericsson equipment worth \$375 million to develop its telecommunications infrastructure in Liaoning and Szechwan Provinces.

Next door, Hong Kong has one of the most sophisticated telephone systems anywhere. It is 80 percent digital, boasts a high percentage of hand-held portables and — not incidentally — is privately run (by Britain's Cable & Wireless). The 400 million people in Eastern Europe represent an equally tantalizing prospect. Until recently, many of them had been waiting up to a decade to have a telephone installed, with antiquated equipment and poor service. AT&T estimated the market potential at \$300 billion back in 1991, and many installations are leapfrogging directly into mobile technology and cellular-based systems.

A boost to mobile growth in Europe was provided by the development of GSM (Global System for Mobile), a common European mobile telephone standard created by the European Telecommunications Standards Institute. GSM uses digital rather than analogue radio technology.

Operators in over 80 countries have accepted GSM standards, and by 1994 GSM networks were operational in 18 countries, with over 2.5 million customers.

Miguel Pellon, regional director of government relations for Motorola in Europe, describes a legal standard like GSM as "a Swiss Army knife — it does everything, but people still like to use their own scissors, tweezers and other tools."

Computing capability

Another important trend is "convergence," the blurring of distinctions between phones with computing capability and computers with telecom features. An example of the former is Simon, a project of IBM/Bell South, which accesses information and sends faxes. The latter is exemplified by Newton, Apple's Personal Digital Assistant, a mobile computer with a wireless modem. Ericsson's Mr. Bengtsson notes that his company's success is based on marrying "the societal background and communications expertise of the telecommunications industry with the efficiency and processing capabilities of the computer world."

Ericsson and its competitors, such as Motorola and AT&T, have adopted the strategy of forging alliances with computer hardware and software companies to meet customer needs. The result is a proliferation of wireless services for both the business and home markets, but prices have still not dropped to levels that make them readily accessible to mass market consumers or developing nations. The World Bank and other global financial institutions consider telecom networks such as these vital for economic development. Commercially, telecommunications is not just a business; it is also a catalyst for stimulating business.

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TELECOMMUNICATIONS AND DEVELOPMENT

PARTNERSHIPS: A WAY TO SHARE THE RISK

The size of the telecommunications industry has forced an increase in alliances.

Forming international partnerships can be both risky and rewarding, as Alcatel discovered in China. "Signing the initial joint venture agreement required an act of faith," admits Bert De Graeve, former general manager of Shanghai Bell Telephone Equipment Manufacturing Company. Twelve years later, however, China's burgeoning telecommunications business has transformed the \$80.5 million gamble that was China's first telecom manufacturing company into Alcatel's largest switching plant in the world.

With annual sales now running at \$600 million, Shanghai Bell is currently spearheading Alcatel's drive to win a \$1 billion share of China's telecom business by 2001. "We knew there was the potential for exponential growth, but no one could have predicted it would be so explosive," says Mr. De Graeve, who headed the company between 1991 and 1994.

High-tech showcase Meanwhile, Hong Kong is becoming a high-tech showcase as increasing numbers

of the industry's key players set up shop and wait for China to come to them. Driven by the twin motors of local deregulation and global competition, investment is also flowing out. First Pacific of Hong Kong, for example, is a prime mover in a consortium that proposes to build a \$130 million telecommunications backbone in the Philippines. Other members include Japan's NTT and the Singapore Telecom International joint venture Globe Telecom.

The Philippines switching network is significantly smaller than those of its Southeast Asian neighbors, so deregulation is a relatively simple way of generating additional revenues through immediate expansion. The problem is infinitely more complex in India, where the government's latest five-year plan has targeted an installed base of 20 million lines and triggered the most complex ever series of bids by potential telecom partners.

With 900 million inhabitants and only 8 million telephone lines, India's current market potential rivals that of China. Only a quarter of

the nation's 600,000 villages have a public telephone, and its city dwellers are little better off — there are 3 million names on the waiting list, and it is growing by 20 percent per year.

Rival operators — including British Telecom, Singapore Telecom, AT&T, NTT, France Telecom and Australia's Telstra — were initially required to find local industrial partners before they could bid for the business. But by dividing the subcontinent into 20 regions (or "circles") for open tender, the Indian Department of Telecommunications has spread the rewards as well as the risk.

New markets

The telecoms business already generates more profits than any other European industrial sector, and there is rarely a shortage of potential investors for large-scale telecom projects. With deregulation due by January 1998, Europe's cash-rich operators are looking for new ways to win world market share.

Eastern Europe, where both Hungary and the Czech Republic have put up their former state monopolies for

sale, is a particular focus of interest. Ameritech and Deutsche Telekom topped the first round of bidding with a \$1.05 billion offer for 27 percent of the Czech Republic's SPT Telecom; in 1993 the same alliance picked up 30 percent of the Hungarian Matav for \$875 million.

In February, the South African government declared its intention to sell part of the state-owned Telkom utility to help fund the network's modernization. Within weeks, Bell Atlantic, Alcatel CIT, Philips, Matra Marconi Space and Teleglobe International had announced plans for their African Global alliance. The Anglo-American New Africa Consortium soon followed, with Southwestern Bell and Cable & Wireless partnered by Corporate Africa, one of South Africa's largest black-controlled businesses, proposing a four-year plan.

Elsewhere, business alliances are the order of the day — with Concert bringing together British Telecom, MCI, Norwegian Telecom, Tele Danmark and Telecom Finland; Atlas



Shanghai Bell: the gamble that is paying off for Alcatel.

aiming to link Deutsche Telekom, France Telecom and Sprint; Unisource involving Swedish, Dutch, Swiss and Spanish operators with AT&T; and the World Partners Initiative linking AT&T with Singapore Telecom, Telstra, Telecom New Zealand, KDD and NTT from Japan.

But the contest between these heavyweight contenders still has a long way to go. Sometime after 1998, today's alliances will need to confront the risk, reward and reality of tomorrow's global telephone company. Steven Bartlett

TECHNOLOGY TRANSFER AIMS TO BRIDGE DEVELOPMENT GAP

Two dilemmas: the proprietary use of software and restrictions on information.

Since 1947, when the United Nations was born, the International Telecommunications Union has been the UN agency responsible for working with developing nations to help facilitate the transfer of technology and information. Every developing nation in the world is an ITU member.

In Campinas, Brazil, for example, the ITU's expertise on software, equipment choice and purchasing resulted in a huge new telecommunication center. Also, the ITU sent Brazilians to study in other, similar development centers. The project, which began in 1974, did not end until 1987. The technology in Campinas included everything concerning telecommunications — laser fiber optics, the architecture of a telephone exchange building, integrated circuits, software and all of the satellite communications.

"Whatever is within the term 'technology' was applied there," according to Domenico Stagliano, the ITU's chief of development policy in its Telecommunications Development Bureau.

The ITU facilitates the transfer of technology by funding studies and by helping to buy and transport the actual equipment — the hardware and software that provide the infrastructure of a nation's telecommunications systems.

Human resources

Currently, the ITU has projects in several developing countries, from restructuring one country's existing system to computerizing another's audio spectrum. The absence of qualified, skilled personnel to staff technologically sophisticated systems is often a bigger roadblock to a telecommunications policy in developing countries than poverty. The ITU helps these countries develop their human resources, management, organization and training.

Much of the policy of technology transfer in developing nations has resulted from the World Telecom Conference held in March 1994 in Buenos Aires, where a coherent plan of action was worked out to replace ad hoc decisions. The conference hammered out the logistics of how the whole international community could work together to bridge the gap between nations in the telecommunications sector.

The resulting Buenos Aires Action Plan gave the ITU its guidelines on the global information infrastructure. "In order to bridge the gap," Mr. Stagliano says, "there must be a policy decision. Then you have such programs as rural development, maritime com-

munication, human resource development and network planning. All kinds of priorities were expressed by developing countries at that conference."

Potential markets

Private-sector manufacturers of hardware and software are vitally interested in the transfer of telecommunications technology because the developing nations are their potential markets.

"Developing countries do not have a pre-existing infrastructure," Mr. Stagliano points out. This can be an advantage as it allows these countries to leapfrog from simple to modern technology without undergoing the painful and expensive restructuring that has plagued Europe and North America.

"Any telephone switch is the same technology as those in Switzerland or Sweden," Mr. Stagliano says. Manufacturers do not normally place restrictions on the use of their hardware, but they do have reservations about the proprietary use of their software, and this is not a minor issue: Telephone exchanges are 80 percent software and 20 percent silicon.

Developing nations may lack the resources to manufacture telephone equipment, but they can easily duplicate the software and resell it: "Manufacturers are not worried about selling telephone switches," Mr. Stagliano says, "but the software that comes with the switch."

Virtual university

The transfer of information in cyberspace presents a policy dilemma to countries that do not have the same openness as Western democracies. The ITU does not address questions of the global information industry, but developing governments are seeing restrictions falling away as access becomes easier.

The new republics carved out of the old Soviet Union have seen the most activity recently in such technology importation. There, the problem is not encouraging the technology but reining it in. Mr. Stagliano explains: "The market forces are so strong, preceding any regulatory order. Our intervention there is to convince them, firstly, to set the rules for the market, and secondly, to open the market. Until now, that region has been like the Gold Rush in the Wild West, a chaotic marketplace."

Mr. Stagliano concludes: "The rules should precede development in any country."

Steve Weinstein

DOING GOOD CAN ALSO BE GOOD BUSINESS

An estimated 4 billion people live without access to the most basic telephone service. They are WorldTel's natural constituency.

WorldTel, a specialized UN agency, is in the business of promoting privately funded telecommunications projects on behalf of the world's poorest subscribers. By applying two basic criteria — a penetration level of telephonic services of less than 1 percent or a telephone waiting list of longer than five-years — it has identified

88 countries and regions as potential beneficiaries.

Banks and other investment institutions place 3 percent or less of their portfolios in development projects. As a result, the investment shortfall is estimated to be \$30 billion annually.

To spread the risk of project finance, WorldTel advocates setting up partnerships with governments, banks, operators and other key players wherever necessary. Joint ventures, they argue, make possible the additional

option of build-operate-transfer or build-own-operate concessions.

"It is a win-win situation," said ITU secretary-general Pekka Johannes Tarjanne, announcing WorldTel's interim Board in New York last February. "We are launching a radically new approach for telecoms development that leapfrogs over current constraints to trigger economic growth."

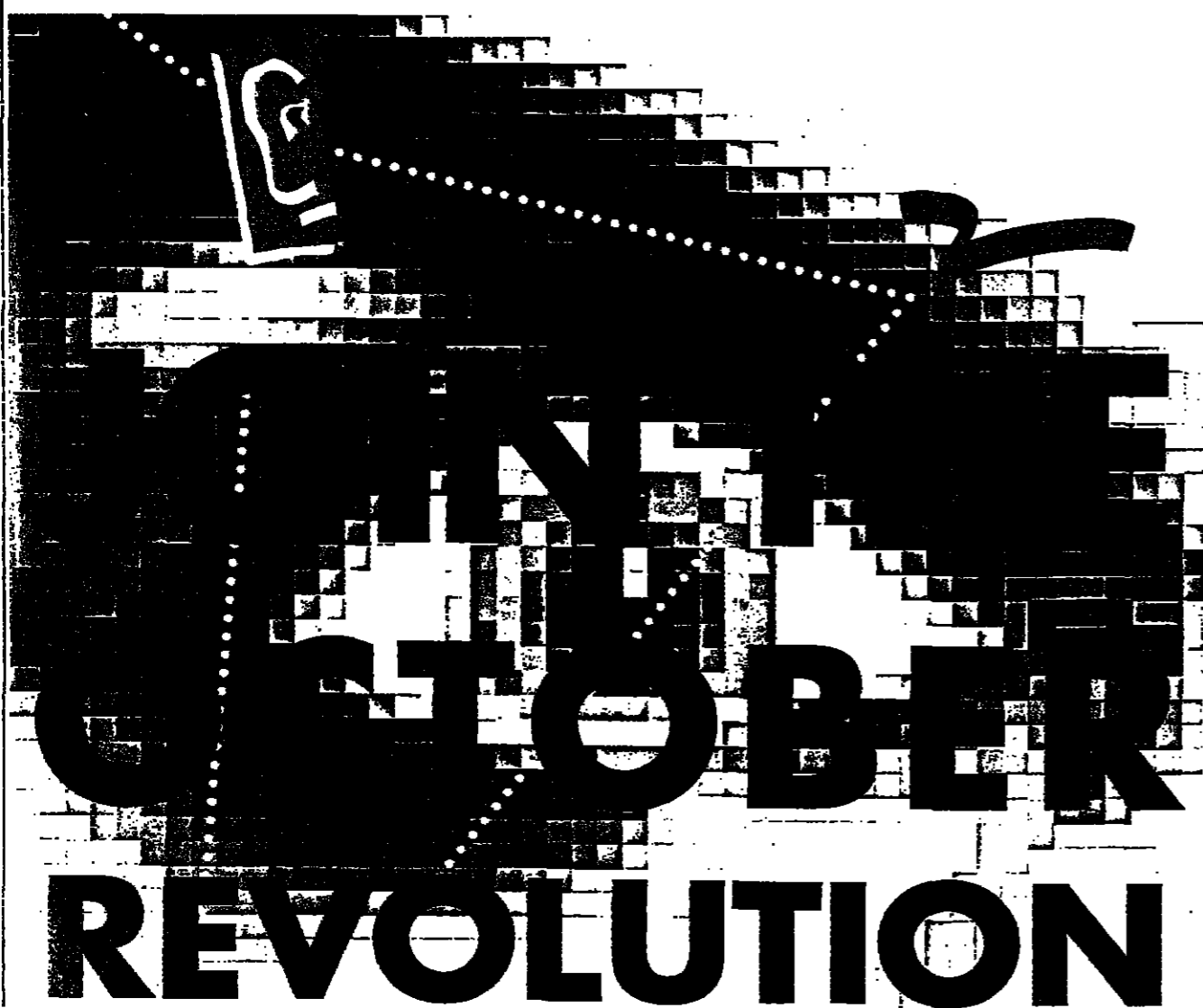
Investors will be examining the degree of political risk, immediate economic

potential and readiness for reform. Clients will be debating the relevance of international revenues, convertible currency and revised tariff structures. WorldTel will be able to tread the fine line between these sometimes conflicting interests because, collectively, its clients represent a considerable prize for the international equipment-makers.

Major international operators are buying into a market where demand exceeds supply: they stand to gain con-

trol of lucrative services for sale to subscribers at home as well as strategic stretches of the information superhighway. And according to a study by the McKinsey company, rural telecommunications projects can generate a 20-25 percent return on investment, even in countries with a per capita GDP of less than \$300.

"We are saying that doing good can also be good business," argues Terrefe Ras-Work, WorldTel's interim executive officer. S.B.



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Blackburn: A Team and Town Reborn

International Herald Tribune

BLACKBURN, England—A man clad in a blue-and-white soccer shirt, wearing a yellow tin hat and carrying a white paintpot, clings like a limpet to a towering industrial chimney. John Warburton is intoxicated but not drunk.

A steepjack by trade, a Blackburn Rovers fan by birth, he carefully paints a single word, CHAMPIONS, down the red brick chimney. High above the gray rooftops of this old cotton mill town, he leaves a mark of respect to Rovers, the team which, on Sunday, won England's league title for the first time in 81 years.

The chimney is slated for demolition. Like much of this northern town's disused industrial heritage, it will fall on hard times. But the Rovers club has bounced back. With the last kick of a 10-month season, Blackburn recaptured the glory last seen by grandfathers and great grandfathers.

The wealth of small towns like Blackburn dried up decades ago. Jobs declined, housing and institutions became relics of a bygone prosperity, and the team lost its importance as a founding member of the oldest soccer league in existence.

When history rolls, like the soccer ball, professional sport goes downhill with everything else. Except that, here, one man has reversed the momentum.

Jack Walker, who left school in Blackburn at 15 to work with his father and brother in a one-room scrap metal shop beneath a railway arch, sold his eventual steel empire in 1968 for £360 million.

He lives in tax exile in Jersey, where he launched, among other things, Jersey European Airways. A quiet man, not so much shy as disinclined toward flaunting wealth

or modern hype, he at one time employed hundreds of Blackburn's manual workers at Walker Steel just a mile or two from Ewood Park, his brother beavered away, played a shrewd business hand, made a greater pile of money than any man in the town had ever imagined, then sold when the time was ripe.

But as the soccer club became desperate for the pennies of life, a former chairman remembered how much Saturday afternoons on the old concrete terraces of Ewood Park, the Rovers stadium, had meant to the Walker brothers.

He contacted Jack, begged for a pound or two, and got more than he bargained for. Walker embraced the old flame. He threw millions—£55 million at the last estimate—into resurrecting the Blackburn Rovers. He lured Kenny Dalglish, who won five championships in Scotland as a Celtic player, and eight in England as a player, then manager of Liverpool, out of "retirement."

Dalglish, stressed by the tragedies of Hyslop Stadium and Hillsborough that involved Liverpool fans, had walked away insisting he was ending "all active participation in football." But Jack Walker is a man of persistence. If soccer could reclaim his affections, then he could persuade Dalglish. He needed to, because players such as Gary Lineker had rejected inducements to move home and family to the half-forgotten Lancashire town.

Could you blame them? Ewood Park was a decaying Victorian edifice, redolent of the red brick chimney era, a palace of sport in times when stadiums were built for this folk to stand in. Nowadays, by government decree and by financial logic, they have to be stadiums to seat fat cats as well as folk whose traditional loyalty would take them into whatever shape or style the

stadium had become, whatever the strain on their budget.

Blackburn before the Walker-Dalglish era had one foot in the third division, one heck of a job keeping the bank and the safety officers from closing it down, one reason to survive: Hope.

In October 1991, Dalglish accepted Walker's offer. By May 1995, the improbable dream was a fact. Blackburn, a town whose population combined with that of neighboring Darwen is 142,700, had taken the championship away from Manchester United, whose glamour is world renowned, whose paid-up official support group numbers 122,000—and whose stock market valuation plummeted £10 on Monday.

Manchester United might get some of that fickle City money back if it wins the FA Cup final on Saturday. But the moral is clear: teams that occupy the high ground are as exposed as the steepjack up his chimney.

Down on the ground, with thousands of Blackburn folk marching across the steep hills to Ewood Park, Walker promises to spend "whatever it takes" to hold on to Dalglish and his coaching expert Ray Harford.

He vows to make Alan Shearer, the goalscorer whose dynamic leadership is much coveted by Italian teams, not just a millionaire in Blackburn but a million pounds a season man. Shearer, he insists, is going nowhere; nor should he, considering how Blackburn kept faith and kept paying him while most of the previous season was lost through a knee injury.

In the company of Shearer, of players such as the national team goalie Tim Flowers and the Scottish defender Colin Hendry, Walker is in his element. They are the new players, the mercenaries of Blackburn, but also men of substance.



REAL MATEY, LIKE—The Australian team arrived Tuesday in Cape Town for rugby's World Cup and got a rousing welcome that included a minstrel show applauded by (from left) Damon Smith, Jason Little and Daniel Herbert. Another of the favored teams, New Zealand, arrived in Johannesburg. The tournament starts next week.

Conversations over a pint of beer with the benefactor are down-to-earth, basic affairs. No hype, no promises outside the pay packet, no trappings of airs and graces of the rich man indulging his hirelings.

Around the dressing room, Walker, an old boy of 64, is treated as "one of them." Some part of him is back on the terracing where, as a lad, he loudly cheered on heroes in the blue and white halved colors.

Those heroes, the likes of Bryan Douglas, a conjurer who could dance with the ball, tended to be home-grown Blackburn lads. Since, the revolution had come and gone, Blackburn's commercial base had withered away. The parochial era of players augmenting soccer wages by working at market stalls on cobbled streets was past.

The team has regained its status, boasting the original motto, *are et labora*. But if the method is pragmatic, the style more labor than art, for the moment the folks who come down from the hills care only that pre-eminence is restored. As is written on the tallest chimney: CHAMPIONS.

Rob Hughes is on the staff of The Times.

A Rotten Day for Sampras

The Associated Press

ROME — Pete Sampras, who a year ago won the Italian Open with a brilliant clay-court performance and headed into the French Open as the favorite, was jeered off the court Tuesday after a miserable first-round defeat.

Sampras lost, 6-4, 6-3, to the unseeded Fabrice Santoro of France and became the first top seed and defending champion to be eliminated in the first round of this tournament. "I dug myself into a hole and couldn't get out of it," Sampras said. "I had an off day. On clay, it's harder for me to get out of it than on other surfaces."

He looked lifeless, confused and uninterested against Santoro and, during the last set, the Center Court crowd at the Foro Italico began whistling in derision. When Sampras failed a forehand long on match point, for his 42nd unforced error, the jeering reached a crescendo.

Sampras was not the only seeded player ousted Tuesday. Jim Courier, the ninth seed and two-time champion (1992 and 1993), was upset, 3-6, 6-3, 7-6 (7-3), by another Frenchman, qualifier Thierry Guyard. And No. 6 Yevgeny Kafelnikov of Russia lost by 3-6, 7-5, 6-3 to the Italian qualifier Corrado Borroni.

SIDELINES

Murdoch Buys Into Asian Golf Tour

HONG KONG (AFP) — Rupert Murdoch further extended his television sports empire Tuesday by signing a television and sponsorship deal with the new Asian PGA Tour.

The News Corp. unit Star TV, through its sports channel Prime Sports, will take a 20 percent financial stake in the 20-event tour and become equal partners with it in a television production company for tournament highlights.

For the Record

Jimmy Garcia has lapsed into a coma with kidney failure and his doctor in Las Vegas said he did not think the 24-year-old Colombian boxer would survive.

Brian Horton of Manchester City became the 12th manager fired this season by a Premier League soccer club.

Lloyd Carr, appointed interim coach after Gary Moeller resigned this month after a drunken confrontation with police, will coach Michigan's football team at least for the 1995 season. (AP)

SCOREBOARD

Major League Standings

AMERICAN LEAGUE

East Division

Team	W	L	Pct.	GB
Boston	10	5	.667	0
New York	9	6	.600	1 1/2
Toronto	9	6	.600	1 1/2
Detroit	7	10	.412	4 1/2
Baltimore	4	16	.200	8

Central Division

Team	W	L	Pct.	GB
Cleveland	11	5	.688	0
Minnesota	10	7	.588	1 1/2
Chicago	10	7	.588	1 1/2
St. Louis	4	12	.250	5 1/2
Kansas City	4	12	.250	5 1/2

West Division

Team	W	L	Pct.	GB
Seattle	9	7	.563	0
California	10	8	.556	1
Oakland	9	9	.500	1 1/2
Texas	8	11	.421	2 1/2

NATIONAL LEAGUE

East Division

Team	W	L	Pct.	GB
Philadelphia	13	5	.722	0
Montreal	11	8	.579	2 1/2
Atlanta	9	9	.500	3 1/2
New York	7	11	.389	5 1/2
Florida	5	13	.278	7 1/2

Central Division

Team	W	L	Pct.	GB
Chicago	11	6	.647	0
St. Louis	9	8	.529	2
San Diego	9	10	.474	3
Cincinnati	8	11	.421	4
Pittsburgh	4	13	.231	7 1/2

West Division

Team	W	L	Pct.	GB
Colorado	12	6	.667	0
Los Angeles	10	8	.556	2
San Francisco	10	9	.526	2 1/2
San Diego	8	11	.421	4 1/2

Monday's Line Scores

AMERICAN LEAGUE

Team	W	L	Pct.	GB
Toronto	10	6	.625	0
Texas	10	12	.455	12 1/2

National League

Team	W	L	Pct.	GB
San Francisco	10	6	.625	0
San Diego	10	12	.455	12 1/2

HOCKEY

NHL Playoffs

CONFERENCE QUARTERFINALS

First Round

Team	W	L	Pct.	GB
Dallas	1	1	.500	0
Detroit	1	1	.500	0

Second Round

Team	W	L	Pct.	GB
Dallas	1	1	.500	0
Detroit	1	1	.500	0

Third Round

Team	W	L	Pct.	GB
Dallas	1	1	.500	0
Detroit	1	1	.500	0

Fourth Round

Team	W	L	Pct.	GB
Dallas	1	1	.500	0
Detroit	1	1	.500	0

Fifth Round

Team	W	L	Pct.	GB
Dallas	1	1	.500	0
Detroit	1	1	.500	0

Sixth Round

Team	W	L	Pct.	GB
Dallas	1	1	.500	0
Detroit	1	1	.500	0

Seventh Round

Team	W	L	Pct.	GB
Dallas	1	1	.500	0
Detroit	1	1	.500	0

Eighth Round

Team	W	L	Pct.	GB
Dallas	1	1	.500	0
Detroit	1	1	.500	0

Ninth Round

Team	W	L	Pct.	GB
Dallas	1	1	.500	0
Detroit	1	1	.500	0

Tenth Round

Team	W	L	Pct.	GB
Dallas	1	1	.500	0
Detroit	1	1	.500	0

Eleventh Round

Team	W	L	Pct.	GB
Dallas	1	1	.500	0
Detroit	1	1	.500	0

Twelfth Round

Team	W	L	Pct.	GB
Dallas	1	1	.500	0
Detroit	1	1	.500	0

Thirteenth Round

Team	W	L	Pct.	GB
Dallas	1	1	.500	0
Detroit	1	1	.500	0

Fourteenth Round

Team	W	L	Pct.	GB
Dallas	1	1	.500	0
Detroit	1	1	.500	0

Fifteenth Round

Team	W	L	Pct.	GB
Dallas	1	1	.500	0
Detroit	1	1	.500	0

Sixteenth Round

Team	W	L	Pct.	GB
Dallas	1	1	.500	0
Detroit	1	1	.500	0

Seventeenth Round

Team	W	L	Pct.	GB
Dallas	1	1	.500	0
Detroit	1	1	.500	0

Eighteenth Round

Team	W	L	Pct.	GB
Dallas	1	1	.500	0
Detroit	1	1	.500	0

Nineteenth Round

Team	W	L	Pct.	GB
Dallas	1	1	.500	0
Detroit	1	1	.500	0

Twentieth Round

Team	W	L	Pct.	GB
Dallas	1	1	.500	0
Detroit	1	1	.500	0

Twenty-first Round

Team	W	L	Pct.	GB
Dallas	1	1	.500	0
Detroit	1	1	.500	0

Twenty-second Round

Team	W	L	Pct.	GB
Dallas	1	1	.500	0
Detroit	1	1	.500	0

Twenty-third Round

Team	W	L	Pct.	GB
Dallas	1	1	.500	0
Detroit	1	1	.500	0

Twenty-fourth Round

Team	W	L	Pct.	GB
Dallas	1	1	.500	0
Detroit	1	1	.500	0

Twenty-fifth Round

Team	W	L	Pct.	GB
Dallas	1	1	.500	0
Detroit	1	1	.500	0

Twenty-sixth Round

Team	W	L	Pct.	GB
Dallas	1	1	.500	0
Detroit	1	1	.500	0

Twenty-seventh Round

Team	W	L	Pct.	GB
Dallas	1	1	.500	0
Detroit	1	1	.500	0

Twenty-eighth Round

Team	W	L	Pct.	GB
Dallas	1	1	.500	0
Detroit	1	1	.500	0

Twenty-ninth Round

Team	W	L	Pct.	GB
Dallas	1	1	.500	0
Detroit	1	1	.500	0

Thirtieth Round

Team	W	L	Pct.	GB
Dallas	1	1	.500	0
Detroit	1	1	.500	0

Thirty-first Round

Team	W	L	Pct.	GB
Dallas	1	1	.500	0
Detroit	1	1	.500	0

Thirty-second Round

Team	W	L	Pct.	GB
Dallas	1	1	.500	0
Detroit	1	1	.500	0

CYCLING

Giro d'Italia

Stage 15

Team	W	L	Pct.	GB
Italy	1	1	.500	0
France	1	1	.500	0

Stage 16

Team	W	L	Pct.	GB
Italy	1	1	.500	0
France	1	1	.500	0

Stage 17

Team

WEDNESDAY, MAY 17, 1995

PAGE 25

Jesters of the NBA West, Barkley and Suns Play for the Last, Big Laugh

By Richard Justice
Washington Post Service

HOUSTON — The Phoenix Suns' center, Danny Schayes, was holding court with the media, justifiably feeling pretty good about himself. He's a center on a team whose only advertised weakness is the lack of one, but in the final moments of a 114-110 victory over the Houston Rockets, he sank a big shot and made a terrific defensive play on Hakeem Olajuwon.

Now, Schayes, the son of the former National Basketball Association great Dolph Schayes, was replaying it for the boys on the bus. Then Charles Barkley stopped by.

"Hey, Schayes," he said, poking his head into the huddle. "Just remember one thing: You'll never be the best player in your family."

Later, when Barkley returned from a postgame news conference and saw Schayes still being interviewed, he screamed: "Schayes! That's enough! Your 15 minutes of fame is up. Go back to being yourself."

Welcome to life with the Phoenix Suns, where the only two constants are winning games and listening to Barkley's mouth run at full throttle. "We're in the tail-kicking business," Barkley had announced loudly after this game, and business is very good. Phoenix stock is going up. The Chuckster's tip of the week is, "Buy Phoenix."

Indeed, life is good for the Suns, who survived a mountain of injuries to win 59 games this season and have sprinted through the first three weeks of the playoffs with only one defeat. Now on an apparent collision course with San Antonio for the Western Conference championship, the Suns were trying to wrap up their semifinal series against Houston on Tuesday night in Phoenix.

Barkley predicted three months ago that Phoenix and Orlando would play in the NBA finals and, at the moment, his prediction looks as good as any. After 11 seasons, about the only thing Barkley has not won is a championship, and now, at 32, this seems his best chance since the Suns got to the finals in 1993.

They may not have an all-star center, but they have six current or former all-stars. Their 12 players entered these playoffs with 682 games of postseason experience, and in Barkley and Kevin Johnson they have two star performers and fierce competitors capable of carrying a team.

Barkley, who contemplated retirement last summer, put up MVP-type numbers this season, with 23 points and 11.1 rebounds per game. Johnson also seems healthy again after missing 35 games with an assortment of injuries, and if the Suns thought his best days were behind him, he showed in scoring 43 points on Sunday that he still has a few good ones left.

As long as Barkley and Johnson are playing well, the Suns have a chance to beat anyone, including San Antonio and Orlando. If one other player gets hot, they probably will beat anyone. In their last game, that one other player was the rookie Wesley Person, who contributed 16 points to take the pressure off Barkley and Johnson.

"I had to do something," Person said. "It was the only way to keep Charles off my back."

Person, seventh in the league in 3-point shooting, stepped up to fill the void created by Dan Majerle's post-All-Star game slump. And he helped the Suns keep it going after Danny Manning tore up a knee in February. The Suns need their centers to only play defense because Barkley remains one of the best low-post scorers on earth. With Johnson driving the lane and splitting the defense, with Person or someone hitting a few outside shots, the Suns have all the right parts — or at least enough of them.

"For us to be as good as we can be, we have to have Kevin," said their coach, Paul Westphal. "Sure, I'd like to have an all-star center. But we're O.K. without one. We can find ways to win with what we have."

Barkley may be the perfect personality for the Suns, who face a particular kind of pressure. They're the model NBA franchise, one that probably has done more things right than any other. Their chief executive officer, Jerry Colangelo, may be the most respected in sports, and his team has a string of seven straight 50-victory seasons.

But what they have not done in their 27 years is win it all. When Barkley arrived three seasons ago, the coach then, Cotton Fitzsimmons, took him into America West Arena and said: "See these seats. They're all sold. That's not why you're here."

He pointed to the rafters and said: "There's no banner up there. That's why you're here." They have accomplished everything else and the club has

become such an attractive place to play that free agents like Manning and Wayman Tisdale accepted less money last summer to join the Suns.

Now, there's one thing left

to keep that in mind. The season is full of spurts. There's a lot of down time.

It's an indication of that urgency that after every game, one of the first questions John-

son asks is, "How does the body feel?" The answer of late has been: "Pretty good."

Johnson said he kept the playoffs in mind during a frustrating regular season that means absolutely nothing. "I had to try and keep that in

mind and not do anything that would keep me from playing right now," he said. "I've had to learn a lot over the years about that."

"Our focus is not on anything beyond the next game," Johnson added. "It's fine to have those goals and everyone knows what our goal is. But there's a lot of grunt work that has to be done. It's not always fun, but if you don't take care of it, you'll never win anything."

Westphal knows that, too. A former all-star guard in Seattle and Phoenix, he has won 72 percent of his regular season games and reached 150 victories quicker than all but one other coach in NBA history.

Yet with a team with Johnson, Barkley, Danny Ainge and Majerle, Westphal is often considered little more than a care-

taker. Indeed, he seems to encourage such thinking by keeping a decidedly low profile.

"If people are going to judge you on how much you scream at someone or how much you run up and down the court, I'm not going to look too good," Westphal said with a shrug. "That's just not me. It never has been. We've been able to accomplish some things here, and I'd like to think I've been part of it."

He's not without courage. Injuries were part of the reason he tried 25 different starting lineups, but at times he benched Johnson, Ainge and Majerle while searching for the right combination. He finally stopped when Barkley asked him to settle on just one — with Person in the starting lineup and Majerle on the bench. Westphal risked stepping on

Majerle's toes with the move, but if either of them has a big game in the finals, Westphal will look like a genius.

Still, because the Suns haven't won a title, there has been speculation that, despite his success, Westphal could be in trouble. The speculation grew enough that Colangelo recently had to tell reporters: "He'll be back."

That's apparently a price for winning too much, for being part of an organization that has done everything except win the ultimate prize.

"People will come up and tell you that some game was a big win," Johnson said. "If we don't keep it up, it doesn't matter. You can't get caught up in those things. I think the attitude is different in Phoenix. We haven't done anything yet."



Felix Potvin put his foot down when Brent Sutter threatened, but couldn't keep Chicago from winning its third straight.

Toronto and San Jose Teeter on Edge

The Associated Press

It is now the Toronto Maple Leafs and San Jose Sharks who have to play catch-up in the Stanley Cup playoffs.

Since winning the first two road games in their respective series, suddenly both are going the other way, with three straight losses that have put them one game away from elimination.

The Maple Leafs lost, 4-2, in Chicago on Monday night, and the Sharks lost in Calgary, 5-0. "We started being aggressive instead of sitting back," center Bernie Nicholls said of Chicago's turnaround in the first-round Western Conference series. "In the first two games, we didn't take advantage of our opportunities. Now we are taking advantage. We've battled back."

So have the Flames, who looked like they were going to

be another first-round victim for the Sharks, who shocked the Detroit Red Wings in the opening round last season.

"We've given ourselves an opportunity here," forward Theoren Fleury said. In Chicago, Joe Murphy scored on a goalmouth pass from Nicholls with 14 minutes left.

NHL PLAYOFFS

utes to play as the Blackhawks moved within one win of their first playoff series victory over the Maple Leafs in 57 years.

In posting their third consecutive triumph, the Blackhawks became the first team in the series to win a game on home ice.

Murray Craven scored twice and Ed Belfour made 23 saves for the Blackhawks, 0-for-5 in postseason series against Toronto since last winning in 1938. The Maple Leafs beat

Chicago in last year's first round and advanced to the conference finals for the second successive season.

In Calgary, Fleury scored twice, and Trevor Kidd made 26 saves for his first playoff shutout.

Joe Nieuwendyk, German Tlov and Ronnie Stern also scored for the Flames, who could win their first playoff series since their 1989 Stanley Cup championship on Wednesday at the Shark Tank in San Jose, California. They had lost their previous four home playoff games.

Fleury got both his goals and as many shots as the entire San Jose team in the first period, when his team outshot the visitors, 18-6. Fleury leads the playoffs with seven goals and six assists for 13 points, one more than Pittsburgh's Ron Francis. Red Wings 3, Stars 1; Darren

McCarthy, Dino Ciccarelli and Vyacheslav Kozlov scored for Detroit, which finished off that series in five games.

Only the solid play of goalie Andy Moog kept Dallas in the game through the first two periods, when the Red Wings outshot the Stars, 29-16.

Kevin Hatcher scored for Dallas. "We're pleased to win, but we expected to win," said Detroit captain Steve Yzerman, whose team finished with the best record in the National Hockey League this season. "We're trying to win a Stanley Cup. We intend to go farther."

Canucks 6, Blues 5: Cliff Ronning scored his second goal less than two minutes into overtime, and Vancouver, tying a league record for short-handed goals in a series, moved within one game of clinching its first-round series.

Ronning took a pass from Roman Oksita on a 2-on-1 break, faked a shot on Jon Casey and slipped a backhand into an open net to give Vancouver its second road victory in the series.

The Canucks got two short-handed goals in a 17-second span of the second period, their fourth and fifth of the series, to tie the record. They also blew leads of 1-0, 3-1, 4-3 and 5-4 before finally finishing off the Blues.

Dodgers' Martinez Holds The Poor Pirates to 1 Hit

The Associated Press

The Pittsburgh Pirates are just the kind of team that Ramon Martinez can dominate.

And, facing the team with the fewest runs (61) and worst record in the majors (4-13), dominated by the first 11 batters and taking a no-hitter into the seventh inning Monday night before Jeff King got the Pirates' only hit.

Martinez pitched seven innings and relievers Rudy Seanez and Todd Worrell finished up the one-hitter with an inning each as the Los Angeles Dodgers won, 4-0.

In the fifth, Martinez slipped on moist grass to the left of the mound while fielding a slow grounder by Carlos Garcia. Martinez threw out Garcia, but also was injured slightly.

"My groin was bothering me a little bit," Martinez said. "I pulled it a little bit last week in San Diego. Then, when I went to throw the ball, I was on one leg."

He had retired the first 11 batters before walking Al Martin. King ended the no-hit bid by grounding a single through the hole and past diving third baseman Dave Hansen, who wasn't playing at normal depth.

"He's been known to lay down some bunts," Hansen said. "And I thought, with Ramon pitching a no-hitter, he was going to try anything to get a hit."

"It was a good pitch," Martinez said of his fastball to King. "It was a ground ball and he just hit the hole. The only way Dave could have had a chance was if he played back a little, but he was checking for a bunt."

Martinez, who shares the Dodgers' record with Sandy Koufax for strikeouts in a game, with 18, fanned five and walked three.

Raul Mondesi hit a three-run homer, his seventh, in the first inning against Paul Wagner, now 0-8 since his previous victory last June 26. Wagner hasn't pitched with a lead in any of his five starts this year.

The Dodgers made it 4-0 in the fifth after a leadoff triple by Jose Offerman. One out later, shortstop Jay Bell fielded a sharp grounder by Eric Karros, threw to the first-base side of the plate and Offerman's left hand beat catcher Mark Parment's tag.

Padres 7, Cardinals 5: Brad Ausmus went 4-for-4, his first four-hit game in the majors, and bunted home the go-ahead run in the eighth as San Diego won its 10th straight home game against St. Louis.

Ausmus and Steve Finley hit solo homers for the Padres, who

drew just 6,758, their smallest home crowd since 6,732 saw a game against Cincinnati on Sept. 28, 1993.

With the score 5-5, Ken Caminiti opened the eighth with a double. After a sacrifice and a walk, Ausmus made it 6-5 with his bunt single, and pinch-hitter Roberto Petagine added an RBI single.

Mets 5, Expos 3: New York avoided a sweep of its four-game home series against Mon-

Greg Colbrunn also homered for the Marlins, who are last in the majors in batting average, but scored in each of the first five innings.

Philadelphia (13-5), which has baseball's best record, lost for only the second time in 12 games.

Braves 4, Rockies 0: Ken Mercker, who held visiting Colorado to four hits in eight innings, also singled in a run and Javier Lopez homered for Atlanta.

The Braves, who won for just the third time in 11 games, improved their overall record against the Rockies to 22-2. Mercker struck out eight and walked two in the longest stint by an Atlanta pitcher this season.

Cubs 6, Giants 1: Steve Trachsel held San Francisco to three hits and won his 10th straight road game for Chicago.

Trachsel, who has a career record of 1-9 at home and 10-1 on the road, also drove in the game's first run with a second-inning single.

Sammy Sosa hit his third homer in two games and Scott Blewett went 3-for-4 and had two RBIs for the Cubs. Blewett hit a run-scoring single in the sixth for a 3-1 lead, and again in the seventh, when Sosa hit his sixth homer of the season.

Tuttleton Deal Paying Dividends for Rangers

The Associated Press

Several of the Texas Rangers' between-seasons moves were considered questionable, but not the acquisition of Mickey Tuttleton.

Tuttleton, who was signed relatively inexpensively, went 3-for-4 Monday night and got his second four-RBI game of the

Juan Guzman gave up in the first two innings. Four of the walked batters scored, with Mark McLemore driving in two with a triple in the first inning.

Guzman, whose ERA rose to 9.78 as he allowed six runs and four hits in 11 innings, complained of pain in his right shoulder after the game and club officials said he will be sent to have his shoulder examined.

Tuttleton hit a two-run single in the second, a solo homer in the fourth and an RBI single in the fifth to pace Texas' season-high run production and 14-hit attack. Benji Gil had two hits and homered in the sixth, his fourth of the season.

Twins 9, Angels 6: Matt Walbeck homered and tied a career high with three hits, and Scott Erickson got his first victory since last July, as Minnesota beat visiting California.

Walbeck, Kirby Puckett and Jerald Clark each drove in two runs to back Erickson, who had lost his previous eight decisions.

CROSSWORD

ACROSS

- 1 Starting tour
4 Nicholas or Peter
8 Not fat

- 12 Side-splitting comedy
14 Benoit — of the N.H.L.
16 London's Park

DOWN

- 1 Police announcement
3 This is —
5 Like pelicans and hospital patients

- 9 Shoulder part
10 Skid row vice
11 Stylish

- 13 Like most city land
14 — Khan
15 Baseball score

- 17 Stable worker
18 — eyed (sharp-sighted)
19 French notion

- 20 Imbroglio
21 Deleted from gallery proofs
22 Hardly fine art

- 23 Deleted from gallery proofs
24 Covers with rich soil
25 Pain allayer

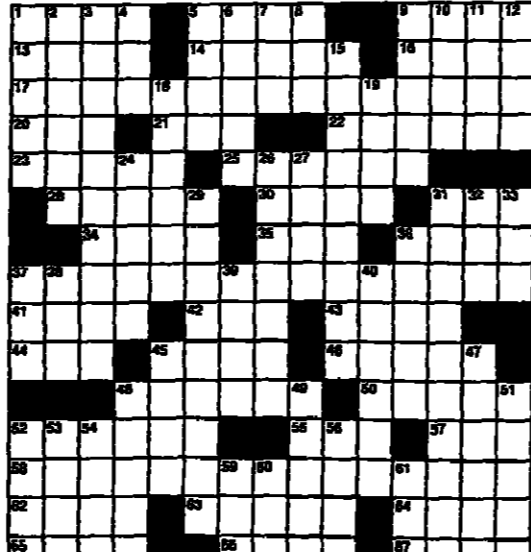
- 26 Hat material
27 Show generosity to
28

- 29 Very fast talk
30 Eruption fallout
31 Frigid spots

- 32 Mr. Ziegfeld
33 Bloodshot
34 Adroit

- 35 Least
36 Deep knee —
37 Come to terms

- 38 Harbor structures
39 Kind of center
40 Concocted again



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Solution to Puzzle of May 16

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THEHONEYMOONERS
TOMATO BARR
BUTCH DEARIE
AUDREYMEADOWS
HANG EDMOND LIT
ALTO LINS ELIA
GELI ANNAHS LUTY
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